Correspondence - TAGGART

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American Embassy
Jidda, Saudi Arabia
August 8, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I really thank you for your letters dated July 6 (which arrived here July 26) and July 21 (which arrived here August 5). I appreciate the information which you gave me in these letters and have passed on to the staff of this Mission your remarks as to the effort and interest being taken on the part of FOA/W in the reassignment of our personnel here. Such effort and interest is fully appreciated.

Of course, each and every member of this Mission is greatly disappointed at not having had the opportunity to carry out any work plans in Saudi Arabia. I would like to state that the attitude assumed by them when notified that SAG did not wish to continue with Point IV, was most admirable. They are fully aware of the fact that the action taken by SAG constitutes in no way a reflection upon this Mission or its personnel, but instead - Point IV here has been "victimized" by reason of political issues between SAG and USG. When informing the staff of SAG's decision in this connection, I explained that SAG was well within its rights to terminate its agreement with USG and requested that each and every member of USAOM/SA refrain from making disparaging remarks against SAG or its officials. Almost a month has gone by since then and I have not heard of any breach of such request. I can assure you and FOA/W that this Mission will leave Saudi Arabia in good graces, both within and without the host government.

In order to avoid possibilities of confusion, misinterpretations or misunderstandings both at your end and at this end, the Ambassador and I have felt that it would be best for communications between here and there to be carried on through a single channel. Consequently, I have purposely refrained from writing or cabling you regarding the general situation here pertaining to Point IV, and instead - have worked closely with Ambassador Wadsworth in the communications which have been exchanged between the Embassy and State in these matters. However, if you do not agree with such procedure, please let me know and I will resume direct communication with you on over-all matters which pertain to Point IV here.

Ambassador Wadsworth has suggested that I send you the attached copy of a letter which he handed to Shaikh Youssef Yassin under date of July 27. To date Shaikh Youssef has not replied to the Ambassador on the points raised therein, presumably due to the pressure of work during these pre-Hadj days. Of course, as soon as SAG's views are received, we will prepare a communication to Washington transmitting them, together with our joint comments. Another factor which may have caused the delay in Shaikh Youssef's reply is the fact that he has to consult the respective Ministries regarding the points raised in the attached copy of letter.

We are well advanced on liquidation matters. It is expected that within the next week or ten days our files and records will have been inventoried and made ready for final disposition in accordance with instructions received.

Messrs. Hamer and Gernhart from USAOM/Jordan are here for the purpose of inspecting our equipment, furniture, etc. They have completed their inspection of nonexpendables, and have indicated the items in which they are interested. Tomorrow they will start inspecting the expendable items and will let us know which of these they can use and which can be shipped, together with the nonexpendables. I shall cable you immediately when their inspections have been completed, indicating in what they are interested and asking your concurrence to ship all items of interest to Amman via Aqaba, with packing, handling and shipping charges for account of USAOM/Jordan. Of course we will get appropriate receipts for all items sent to Amman or to any other Mission. By early mail I shall send you copies of our list of expendable items.

We have made arrangements with those whose transfer is likely to be approved shortly to pack such items of their personal and household effects as they can "live without" so that the shortest delay possible will be incurred in their leaving Jidda for a new post. I have arranged with my good friend, the Minister of Finance, that we may continue using the SAG houses on the Compound here on a month-to-month basis after the expiration of our current lease; that is, next month (September). It may be possible that he will not even charge us any rental for the use of such houses during the period of our moving personnel from here. As each apartment house and as the Bin Zagir villas can be vacated, they will be prepared for subleasing. There are several possibilities for subleases for all of these quarters. All employees have volunteered to assist in a prompt, orderly liquidation of the Mission and all are working towards that end.

As you will have noted from the proposed departure schedule which I sent you several weeks ago, Messrs. Taylor and Bode, Mrs. Moser and a secretary will constitute the contingent to do the final liquidation work. I have made arrangements with these employees toward that end.

I have reviewed with Miss Oakes that part of your letter dated July 21 which pertains to her. After thinking the matter over, she has about decided that she would like to be reassigned to Ethiopia as secretary to the Country Director at the same grade and salary as she presently has. However, she has for some time entertained the hope of being assigned to Tripoli, Libya. Too, after reading your letter under reply, she has not been able to completely dispel the idea of a reassignment in India and would like to know whether the position which Personnel had in mind for her might be in New Delhi. Wherever reassigned, Miss Oakes is desirous of maintaining her present grade and salary. From the latest available post reports, it would appear that suitable single furnished quarters might be more readily available in New Delhi than in Addis Ababa, which has some slight bearing on her interest in New Delhi. She will appreciate your passing this information on to Personnel.

Due to the pressure under which Miss Oakes has been working for the past year and a half, she feels it imperative to take a month's local leave prior to entering on duty at a new post. I quite concur with her desires in this respect. During this time she would have some necessary dental work done, which could not be accomplished in Jidda. She would prefer to have this work done in Beirut where there is an excellent dentist - enroute to her new post. (I mention this at this time in case there is any question as to routing to the new post; also due to the time involved in exchange of correspondence, especially during and following the Hadj.)

As you know, USAOM/Egypt has requested the services of Miss Confer. I am now awaiting your authorization to issue travel orders for her. USAOM/Jordan has requested the services of Miss Parrish, and I await your authorization to issue her travel orders. Each of these secretaries is interested in the prospective reassignment for her. I might state, however, that Miss Confer is assisting Mrs. Moser in getting our files and records readied for turning over for final disposition, and it will probably be another two weeks before she will be ready to leave here for Cairo.

I informed Mr. Hamer (USAOM/Jordan) this morning that it will not be possible for Miss Parrish to leave here until about the end of September, as she will be needed here to help Messrs. Taylor and Bode wind up the last details of the Mission.

I thank you for the information you gave me in your letter of July 21 relative to Syria and Guatemala.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
Letter to Shaikh Youssef Yassin
dated July 27, 1954.

HJCorson:o

American Embassy
Jidda, Saudi Arabia
August 7, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

In his letter dated August 2, His Excellency Shaikh Abdul Aziz Sulaiman, Assistant Deputy Finance Minister, requested that we furnish the Finance Ministry with all the negatives of the aerial photographs taken by Aero Service Corporation under its contracts with Foreign Operations Administration.

Under the terms of the Aerial Survey Project Agreement dated November 10, 1952, no mention is made to any obligation on our part to turn over to SAG the negatives now being requested by the Ministry of Finance. Our obligation, as stated in that Agreement, covers photographs only. However, if you are in accord in that such negatives be delivered to the Saudi Arabian Government, I shall appreciate your making the necessary arrangements with Aero Service Corporation to send them to me and I will personally deliver them to the Ministry of Finance.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:mep

American Embassy
Jidda, Saudi Arabia
July 31, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

We are attaching complete inventory lists covering all nonexpendable items held by this Mission, listed in accordance with your instructions. All items have been individually inspected as to condition and checked with our inventory records. You will note that we have grouped automotive spare parts, implements and supplies for technicians, etc., but will furnish details immediately upon request of any interested Mission.

A copy of these lists is being sent today to USAOM/Jordan and to USAOM/Iraq, in order that each of these Missions can inform you as to its requirements in accordance with USFOTO 24 dated July 27.

After we have been instructed by you as to what should be shipped to USAOM/Jordan and USAOM/Iraq (packing, handling and freight charges for account of receiving Mission), we will then proceed with the disposal of the remaining items in accordance with your instructions.

The purchase price of each item listed under "Not Worth Shipping" is now being determined from invoices and accounts, and the disposal of these items also will be in accordance with your instructions.

You will note that we have not included in the attached inventory sheets the two-way radio sets which we have received from the Bureau of Ships, Washington, under M.R. This matter will be developed in a subsequent letter.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
Inventory - Nonexpendables

Original sent via air pouch Aug. 1, 1954.
Duplicate sent via APO July 31, 1954.

HJCorson:o

Inventory of U.S.-owned Non-Expendables - Household Effects
USOM/Saudi Arabia

Item	List A Worth Shipping Good	Fair	Need Some Repair	List B Not Worth Shipping Salable (of cost) 50%	35%	20%
1. Air Conditioner (window model)	34	22	8			1
2. Beds, single	18	3		2	1	
3. Beds, double	6	1				
4. Bookcase	3				2	
5. Buffet	2				1	
6. Closet, China	2					
7. Closet, Linen	1					
8. Chair, Overstuffed	27	4			4	
9. Chair, Dining	72	1	1		18	
10. Chest, Drawers	24					
11. Chair, Occasional	3	1				
12. Chair, Rocker	3					
13. Chair, Arm	8					
14. Chair, Arm Cushion	5					
15. Couch	1					
16. Cabinet, Kitchen	1	1		8	12	
17. Cabinet, Slide door				1		
18. Cabinet, Wood					4	
19. Cabinet, Medicine	14				2	
20. Desk	1					
21. Divans	10	1			1	
22. Dressers	5	1		1	1	
23. Drapes		9				8
24. Deep Freeze	4	1				
25. Fans, Electric	4					
26. Fans, Ceiling	6					
27. Heater, Electric, Water	10				2	
28. Lamp, Table	28	2	2		1	
29. " Floor	11	2	2		2	
30. Mirror	9				1	
31. Mattress, Single	11	2				
32. " Double	4		1			
33. Mattress & Box Springs	14	2				
34. Springs, bed	6				2	
35. Rug, Fiber & Broadloom	36	16			5	
36. Rug, Bathroom	2	4			4	4
37. Refrigerator, Electric	12	4				
38. " Electrolux	1					

Inventory of U.S.-owned Non-Expendables -
Office Furniture and Equipment
USOM/Saudi Arabia

	List A			List B		
	Worth Shipping			Not Worth Shipping		
				Salable (of cost)		
Item	Good	Fair	Need Some Repair	50%	35%	20%
1. Steel bookcases - 4 section	8					
2. Bookcases, mahogany 3 section	2					
3. Steel file cabinets 4 drawer	24	1				
4. Wood bookracks					3	
5. Steel storage cabinets 6 shelf with hat and coat space	7					
6. Printing calculators Remington-Rand	2					
7. Adding machines Underwood	3					
8. Calculator, Frieden	1					
9. Typewriters						
Long carriage	2					
Standard	13	2				
Portable	7					
10. Audograph machines Gray	2					
11. Fluid process duplicator	1					
12. Electric mimeograph machine - A.B. Dick	1					
Water cooler, electric, 5 gallon	1					

Inventory of U.S.-owned Non-Expendables - Office Furniture and Equipment

Item	List A Worth Shipping Good	Fair	Need Some Repair	List B Not Worth Shipping Salable 50%	(of cost) 35%	20%
13. Desks						
Standard metal	10					
Executive mahogany	1					
Typists, wood			1			
Standard, wood						1
Minature desks						2
14. Metal tables	2					
15. Executive table	1					
16. Coffee table	1					
17. Rug - 8'5" x 5'4"	1					
18. Costumers	10					
19. Leather divan	1					
20. Chairs:						
Executive, wood mahogany, rotary, leather upholstered	1					
Club, wood, leather overstuffed	2					
Executive, wood mahogany, side leg with arms, leather upholstered	12					
Standard, metal, rotary with arms, plastic seat and back	8					
Standard, metal, side leg with arms, plastic seat and back	16					
Typist	10					

Inventory of U.S.-owned Non-Expendables - Office Furniture and Equipment

Item	List A Worth Shipping Good	Fair	Need Some Repair	List B Not Worth Shipping Salable (of cost) 50%	35%	20%
21. Desk fans	11					
22. Upright floor fan	1					
23. Low circular floor fan	1					
24. Window fan	1					
25. Small fan						1
26. Ceiling fans	7					
27. Intercom system (10 stations) new	1					
28. Telephone switchboard and 20 instruments (GEC) new	1					

Inventory of U.S.-owned Non-Expendables - Educational Supplies and Equipment
USOM/Saudi Arabia

Item	List A Worth Shipping Good	Fair	Need Some Repair	List B Not Worth Shipping Salable (of cost) 50%	35%	20%
1. Movie camera, 16 MM Bell & Howell - 70 DL-1"-F19 lens, with case	1					
2. Camera, Kodak Signet 1351, with light meter	1					
3. Argus C-3 camera, including flash attachment & carrying case, also tripod - Quick Set Jr.	1					
4. Projector - No. 300 W. Motor fan cooled - 5" lens, Model V-220L with carrying case No. 234 - battery connection cable 3' long-extension cord 20' long - 5 lamps - 6V-50-set aperture plates, battery strap carrier - 1 battery (Exide - broken), 6V-100 plastic case PLX-13-1 battery hot shot 6V-2 lamps - 300 W, 110 V - 1 transformer, stepdown, 220 V to 110V	1					
5. Daylight screen - 52" x 70" - with tripod and case	1					
6. Filmosound projector, 16 MM magnetic type, 12" speaker, model 202B1 - Bell & Howell	1					
7. Phonograph, portable, model S-61 with 24 Eng. Arabic records	1					
8. Opaque projector and lantern slide - model LRM - Bausch-Loeb, Ser. No. Ke5019.	1					
9. Public address system with parts	1					

Inventory of U.S.-owned Non-Expendables - Educational Supplies & Equipment

	List A			List B		
	Worth Shipping			Not Worth Shipping		
			Need Some	Salable (of cost)		
Item	Good	Fair	Repair	50%	35%	20%
10. Soundscriber machine, model 5-RH with attachments, Serial No. 519312	1					
11. Soundscriber transcribing machine, model 5-TF. Serial No. 62387	1					
12. Wilcov-Gay tape disc recorder - model 3010 with two reels for tape. 4 rolls tape & 4 pkgs. recording discs	1					
13. Mimeograph machine, electric, model 435-AC-110V-including mimeoscope model 4-8 penstylographs - 6 lettering guides - 2 screen plates (A.B. Dick).	1					
14. Battery adaptor - 6V Carter converter	1					
15. Soundscriber recordings	75					
16. Architect's scale	2					
17. 16MM film, TB in Iran (FOA/W)	1					
18. 16MM film, Dysentary (Persian) (FOA/W)	1					
19. 16MM film, water spreading (FOA/W)	2					
20. Viewlax No.22-23404-X with accessories	1					
Hot shot battery	1					
Transformer-step down	1					
300 W lamps	2					
6 v 50 W lamps	5					
20' extension cord	1					
6v auto battery	1					
21. Splicers	2					
6 v auto battery	1					
Reels and cans 400 ft.	10					

Inventory of U.S.-owned Non-Expendables - Educational Supplies & Equipment

	List A			List B		
	Worth Shipping			Not Worth Shipping		
			Need Some	Salable	(of cost)	
	Good	Fair	Repair	50%	35%	20%
Reels and cans 1600 ft.	5					
Reels and cans 1200 ft.	2					
Reels and cans 800 ft	2					
Reels of magnetic tape	10					
Battery charger	1					
22. Variable transformer S.No. IR 25524 M No. 1 Rxl	1					
Power speaker 25 w part No. 23615	1					
23. Motion picture 202C, No. A74401 with accessories	1					
24. Screen, projection, 70" x 70"	1					
25. Generator, 1250 w, Engine No. 112692, Generator No. 145101	1					

Inventory of U.S.-owned Non-Expendables - Miscellaneous Supplies
and Equipment
USOM/Saudi Arabia

Item	List A Worth Shipping Good	Fair	Need some Repair	List B Not Worth Shipping Salable (of cost) 50%	35%	20%
D-7 Tractor, caterpillar with bulldozer, cable control, etc.	2					
D-12 Graders, motor, caterpillar with scraper (items exportable only with concurrence SAG)	2					
Clock, wall, Seth-Thomas	1					
Dictionary and stand	1					
Sprayers, hand, Hudson compression type- 3 gal.	50					
Sprayer, duster. 50 gallon tank. Wisconsin VP-4 30 HP air-cooled engine	1					
900 x 13 sand 6-ply tires-new	40					
900 x 13 translube tires " 150-insert	40					
Flaps for 900 x 13 " 6-ply ANS Sand	50					
900 x 16 Power wagon tires "	2					
900 x 16 Power wagon tubes "	2					
Power wagon spare parts - cases	12					
Assorted spare parts Jeep station wagon - value approx. $700.00	1					
Complete Diesel three phase generator 115 KVA Cable 92 KW, 1200 RPM including wall switchboard, make Deutz (German)				1		
Trailers, jeep	4					

Inventory of U.S.-owned Non-Expendables - Agricultural Equipment and Supplies (boxed and on dock)
USOM/Saudi Arabia

Item	List A Worth Shipping: Good	Fair	Need Some Repair	List B Not Worth Shipping: Salable (of cost) 50%	35%	20%
1. Portable light plant, Fairbanks-Morse, 1250 W, AC; 60 cycle, 115 V, with spare ignition. (new)	1					
2. Garden tractor, David Bradley, 2¼ HP, rubber tires, with full set farm implements. (new) (details available)	1					
3. Gasoline-driven concrete mixer, Sears Roebuck, "tea-cup" model (new)	1					
4. Basic implements and supplies for Livestock Specialist (new) (details available).	1					
5. Basic implements and supplies for Soils Specialist (new) (details available)	1					

Inventory of U.S.-owned Non-Expendables - Engineering Equipment
USOM/Saudi Arabia

Item	List A: Worth Shipping			List B: Not Worth Shipping		
	Good	Fair	Need Some Repair	Salable (of cost) 50%	35%	20%
1. Transit	2					
2. Level	2					
3. Tripod	4					
4. Level Rod	2					
5. Micrometer Target	2					
6. Plumbobs	2					
7. Stadia Rod	2					
8. Band chains	4					
9. Champion Reels	4					
10. Hand level	1					
11. Set of drawing instruments	1					
12. Steel Arrows (boxes)	3					
13. Mending tool - set	1					
14. Altimeter - 10 ft. scale	1					
15. Altimeter - 1 ft. scale	2					
16. Altimeter - 1 ft. scale						1
17. Protractor	1					
18. Slide rule	1					
19. Engineer's scale	1					
20. Metric scale	1					
21. Triangles	1					
22. Tape - 50 ft.	1					
23. Drafting board 24" x 36"	1					
24. Drafting instruments Casiero	1					
25. Drafting instruments K and E	1					
26. 12V Guide tail light with cord	1					

Inventory of U.S.-owned Non-Expendables - Motor Vehicles
USOM/Saudi Arabia

Item	List A Worth Shipping Good	Fair	Need Some Repair	List B Not Worth Shipping Salable (of cost) 50%	35%	20%
1. Chevrolet sedans	2					
2. Willys jeeps		6			1	
3. Chevrolet carryalls		4	1		2	
4. Jeep station wagons	6	1	1			
5. Dodge power wagons	4	6	2		2	
6. Chevrolet water trucks	2	1				

Jidda, Saudi Arabia
July 29, 1954

Deptel 360

American Embassy
Jidda, Saudi Arabia
June 26, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Several days ago I received a copy of Prity Deptel #360 relative to the reallocation of unobligated funds involving reduction of our allocation 073-41-4C from $1,329,000 to $852,000. I had our Controller check all obligations corresponding to FY-54 and it was found that $896,000 would be required, rather than the $852,000 mentioned in Prity Deptel #360. We cabled SecState with revised figures and concurred in the reduction of allocation 073-41-4C from $1,329,000 to the revised figure of $896,000.

We are now four days from the end of our fiscal year and the only FY-54 agreements executed are those covering the Quarantine Station, Maternal and Child Health Center, and the Vaccine Laboratory. No other TA or SEA agreements have been executed as of this writing. However, the Council of Ministers is convening here in Jidda tomorrow, June 27, and rumors are to the effect that Point IV will continue its activities in Saudi Arabia, as strong efforts will be made to get the Council to separate Point IV matters from pending political issues. I am informed that His Excellency, Shaikh Abdullah Sulaiman, Minister of Finance, will spearhead this movement.

Now that our unobligated funds have been withdrawn, and in the event SAG informs us they are ready to execute pending TA agreements, the overall SEA agreement and the SEA project agreements, I shall cable you accordingly in the hope that the required funds can be reinstated for both TA and SEA.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

American Embassy
Jidda, Saudi Arabia
July 21, 1954

PERSONAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

By the last pouch which left here July 18 I sent you a copy of a memorandum covering a conversation I had with Sadek Husseini regarding the situation of USAOM/SA.

I have discussed this memorandum with Ambassador Wadsworth and am convinced that the gist of it represents wishful thinking on the part of Sadek and/or the Ministers whom he contacted. Consequently, it is apparent that no credence should be given to the contents of that memorandum.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

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American Embassy
Jidda, Saudi Arabia
July 24, 1954

Dear Paul:

We are herewith enclosing the applications of the five teachers we sent to the six weeks summer institute for teachers at AUB. They left on schedule and are now pursuing training.

We hurried them on after receiving FOA/W cable approving the training program though these applications had not yet been prepared for submission to Washington.

Sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encls

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

July 21, 1954

Mr. Harland J. Corson, Director
USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

ans 8/8

Dear Harland:

This is in reply to your letter of July 8. It may also include information which has been requested by you in other communications.

I can readily understand the disappointment to the personnel of the Mission due to the existing uncertainties. You may rest assured, however, that everyone here is cognizant of the personal problem faced by each member of the Mission, and that steps are being taken to alleviate each problem. It was certainly gratifying to receive the cable from the Mission that, with the exception of the USGS personnel, all wish to be transferred elsewhere and continue their service in FOA.

There is enclosed a copy of a Memorandum of Conversation dated July 16, 1954, which will give you some idea of the interest taken in the Saudi situation, not only in reference to the individual problems, but all phases of the liquidation process. Some of the detailed instructions have already been forwarded and others are being prepared as rapidly as the staff has time to do so.

With reference to personnel as such, we here in the Arab States Division reviewed each and every position against openings in Iraq and Lebanon. USFOTO Circular X-31 dated July 19 is the result of this review. At the same time, I discussed with Joe Hughes and Ted Forbes not only the various individuals, but the desirability of reviewing all Mission staffs with the idea of getting out offers to the individual Mission members at the earliest possible moment. I was extremely sorry to see USFOTO 12 go out with respect to Sinclair and Farrell but, because of their specialties and the limited requests for such specialties in the field, this was about the only thing that could be done in these two cases.

From the instructions going out to the field, it appears there will be considerable work involved in liquidation. It would also appear that because of the amount of work, a considerable amount of time will be involved in order to get the job down to the size where it can be turned over to the Embassy. Since the liquidation will deal primarily with property and fiscal matters, we have recommended that Taylor and Bode would have the skills most useful in the liquidation operation. There also appears to be a considerable amount of typing and stenographic work involved and we have recommended that, because of Blanche Oakes' familiarity with the

files, operations, etc., she be retained until some future date. We have also recommended that Mrs. Moser, since she is a resident of the area, be kept on as long as necessary.

Since dictating this USFOT has gone out

With reference to Miss Oakes, I might add that the above recommendation was made primarily from the point of view of the most orderly processing of the liquidation operation. It is by no means binding and, because of her seniority in the Mission, I should like to have you discuss the matter quite freely with her and apprize me of her desires in order that I can pass them on to the Personnel Division. I understand Miss Oakes is eligible for home leave. This could mean that she could take it immediately or could continue on for such period of time as would be helpful to the Mission, if that is her desire. There is a position in Ethiopia which has been held for some little time by the Personnel Office pending the outcome of the Saudi situation. It is my understanding, in talking with the Personnel Office, that this position is with the Country Director and would carry the same salary and grade as Miss Oakes presently has. There is also a similar position with the Country Director in Pakistan, which I understand, if Miss Oakes expressed an interest, she would also receive consideration. With reference to Pakistan, there is in addition to the above a special team going out for a period of 4 or 5 weeks, which would require a secretary. If Miss Oakes were interested, she could probably be assigned to this team and thus have an opportunity to look over the Pakistan situation on the ground to ascertain whether she would prefer a permanent assignment there. I was also informed by Personnel that jobs with Mission Directors were coming up from time to time and that if she wishes to stay in Jidda during the liquidation period (it would probably be at least until the latter part of 1954 or perhaps the early part of 1955) and then take her home leave, after that time if she is looking for a new assignment Personnel would try to arrange for such an assignment. My own personal opinion with reference to this is that the span of time is rather limited in which to have an opening actually occur. I mean by that that Miss Oakes would be home for a matter of 2 months, at the outside 3 if she uses leave in addition to home leave, and such an opening would have to occur during that period.

Because of Miss Oakes' seniority, she should perhaps have the opportunity of making up her mind on the above possibilities, and if she decides she wishes to leave would you please let us know and recommend to us immediately whether Miss Parrish or Miss Confers should be retained with the liquidation group. I was further told by the Personnel Officer handling the secretarial staff that, knowing the situation in Jidda was on shaky ground, she had been for some time sort of holding 3 jobs in India in case the girls in Jidda wanted to transfer to some Mission as a group. I think it might be well to pass this information on to the girls in order that they may understand that Washington really does have their interests at heart. In discussing the matter with the Personnel Officer, she further indicated that there just wasn't any possibility of any openings occurring in Europe, but she urged that the girls indicate their first, second and third choices (other than Europe), and she would do everything possible to meet their desires. So, would you therefore

talk over the appropriate parts of the above information with each of the 3 girls and let me know what Miss Oakes desires might be, including any timing that might be involved, whom you recommend to remain if Miss Oakes leaves shortly, and the desires of the girls as to where they would like to be placed.

With reference to Syria, there has been constant contact since the beginning of the Technical Assistance program. Each year there have been illustrative programs placed in the budget. Once or twice there has been evidence of interest but at no time have we ever been close to entering into a general agreement with Syria. It is realized they are having an election shortly. Whether the newly elected government will have sufficient pro-Western leanings to change the former attitude is still an unknown quantity. Even if they did have, I suspicion it would be a considerable period of time before anything definite could occur in relation to Foreign Operations activities.

With reference to Guatemala, there has been some Point 4 work in the country for a good many years. I have no idea of the size of the Mission or what the status of the work might be. Neither do I know if the recent change in government will have any bearing on increasing FOA activities there. I understand that someone from the Latin America office may go to Guatemala shortly. If so, perhaps more information will be available upon his return.

We agree with you and the Ambassador that the Mission should be liquidated rather than permitted to "wither on the vine". It is too bad that FOA was not judged on its merit rather than being used as a political football. I, too, am unable to understand why the Saudi Arabian Government was so short-sighted in this matter. If there is any country in the world needing technical assistance, it would seem to me it would be Saudi Arabia. I am extremely sorry they have taken the step they have. There seems to be, however, not much we can do to change the situation. You and your staff may rest assured we will do everything we can here to assist not only in the liquidation of the Mission, but the finding of suitable locations for the personnel to the extent this is possible.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

CONFIDENTIAL

COPY

July 16, 1954

MEMORANDUM OF CONVERSATION

Liquidation of USOM Operations in Saudi Arabia

In attendance at meeting:

Taggart G/NEA
Hughes "
Brody "
Boardman NEA, State
Moore " "
Mansch " "
Forbes PERS
Powers OGM
Lemon Audit
Schindell ADMFR
Knox Budget
Bahnser FBO.

Mr. Hughes, having issued the invitations to the meeting, called it to order and after a few remarks turned it over to Mr. Taggart.

1. Mr. Taggart gave the background of the situation in Saudi Arabia leading up to the receipt of the note from the Saudi Arabian Government, as reported in Embassy telegram 22 dated July 11, 1954. The Ambassador's interpretation of the note received was to the effect that Foreign Operations in Saudi Arabia is "through".

2. Mr. Taggart further outlined the extent of forward planning which had been done and made reference to the following advance instructions which had been forwarded to the Mission. The following communications are in this category:

Joint State-FOA Deptel 416, dealing primarily with the project equipment and supplies to be turned over to SAG and request to the field to notify FOA/W of the transfer or termination desires of each of the Mission staff.

USITO 3, USIS guidance.

USFOTO A-2, detailed instructions with reference to the disposition of records.

USFOTO A-3, detailed instructions with reference to leased property.

USFOTO A-9, detailed instructions with reference to inventory and property disposal.

CONFIDENTIAL

3. Mr. Boardman of NEA, State, read the proposed draft of the telegram being jointly prepared by Mr. Boardman and Mr. Taggart in answer to Embtel 22. This was in draft form and will need some polishing as well as required clearances before being released.

4. The following personnel agreed to follow through on instructions already issued:

USFOTO A-2 (records), Smith ADSER

USFOTO A-3 (leased property), Behnser FBO

USFOTO A-9 (property disposal), Schindell ADSER

Transfer of personnel, Forbes and Hughes.

5. Further discussion raised the following problems:

a. Public relations and USIS guidance -- a meeting is being called at 10:30 A.M., July 19, with Boardman, Taggart and PIO's of State and FOA, and a representative of USIS, to consider the timing and nature of the announcement of FOA withdrawal from Saudi Arabia.

b. Since there are three signed project agreements, consideration will have to be given to the advisability of their cancellation and if this is to be done the field advised as to procedures to be followed. Taggart will assume responsibility for this.

c. Certain furniture, equipment and supplies are in the pipeline. Stop and diversion orders are necessary. Brody will assume responsibility for this segment of the liquidation.

d. The question of Saudi Arabian trainees in the United States and expected under TAA's needs exploration and appropriate instructions issued to the field. Taggart will assume responsibility for such action as may be appropriate.

e. Certain fiscal instructions will be necessary. These will be prepared by Knox.

The question of administrative support, its continuance and date of termination will require the consideration of FOA and State. Knox, DeWilde and Brody of FOA, and Moore of State will handle this matter.

f. The question of USGS-owned equipment will have to be resolved. This matter will be held in abeyance until the question raised in Deptel 8 is resolved.

g. The question of how regional projects, such as locust control, AUB trainees, etc., will be affected after the cancellation of the General Agreement will have to be resolved and specific instructions

forwarded to the USOM/SA and the various regional project officers. Taggart will assume responsibility for this.

h. The question of discontinuance of FOA communications and reliance on State will be handled by Schindell.

i. The question was raised as to what, if any, notification would be given UNTAB. Mr. Taggart indicated he would explore this with Mr. Clifford.

American Embassy
Jidda, Saudi Arabia
July 18, 1954

EYES ONLY

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Yesterday right after dinner Sadek Husseini came to my home and told me of a conversation which he had been having that day with some of the Ministers regarding the note which the Saudi Foreign Office sent to the U.S. Embassy on July 11th pertaining to Point IV.

I jotted down the points mentioned by Sadek and he agreed upon the texts. I then prepared the attached memorandum to Ambassador Wadsworth and took it to him last night. As he was not at home, I left it with the Second Secretary of the Embassy with a request that he deliver it to the Ambassador the first thing this morning. At this writing (9:40 am) I have heard nothing from the Ambassador in this connection, so will forward a copy of the memorandum on to you without being able to give you the Ambassador's reaction. The pouch closes at 10 am this morning.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
As above

HJCorson:o

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UNITED STATES OF AMERICA
OPERATIONS MISSION TO SAUDI ARABIA
Point 4

Jidda, July 17, 1954

Memorandum to Ambassador Wadsworth

Sadek Husseini, Director of Liaison between this Mission and SAG just informed me of the following:

As he did not understand the meaning of the note which the Foreign Office sent to you dated July 11, 1954, since the provisions of the Technical Assistance Agreement of January 17, 1951 do not provide or call for renewals nor does the note in question state SAG's intention to terminate the agreement, he spent most of today contacting some of the Ministers to ascertain their interpretation of the note.

His findings, in brief, were as follows:

1. SAG did not intend that its note be considered as "terminating the agreement."

2. It was worded as it was to convey to the USG that there are differences which should be clarified or settled before making effective the projected development programs.

3. SAG has been expecting the US Ambassador to ask for a clarification of its note, at which time such differences can be discussed.

4. These differences pertain to both Point Four and political issues.

5. The Point Four issue pertains to "extent of economic aid."

6. SAG feels that a lack of desire for clarification of its note can be interpreted as a US voluntary withdrawal of its Point Four Mission from Saudi Arabia, if the Mission is withdrawn without prior discussions with SAG.

7. Furthermore, in the event of such non-clarification, SAG will consider that the USG is not interested in settling Saudi/American relations and consequently its next move would be to "terminate" the General Agreement for Technical Assistance.

Based on his conversations with the Ministers, Mr. Husseini strongly recommends that you (on political issue) and I (on Point Four matters) should meet and discuss points of difference frankly and openly with Prince Faisel at the earliest possible moment since already five days have passed since the above cited note was delivered and SAG has not received any reply to it.

Mr. Husseini stated that after his conversations of today, he feels that pending differences may not be as difficult to solve as have been presumed and that with such differences settled there is no reason why Point Four cannot fully achieve its objectives in Saudi Arabia.

H. J. Corson

American Embassy
Jidda, Saudi Arabia
July 18, 1954

EYES ONLY

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

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Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
As above

HJCorson:o

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UNITED STATES OF AMERICA
OPERATIONS MISSION TO SAUDI ARABIA
Point 4

Jidda, July 17, 1954

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H. J. Corson

(1)

OFFICIAL USE ONLY

American Embassy
Jidda, Saudi Arabia
July 17, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

The King and his entourage are now in Jidda and will be here definitely until after the Hadj; i.e., about August 15. Rumors, however, are quite persistent in that he will probably be here for three or four months while his Palace in Riyadh is being redecorated.

Due to the very low capacity of the Jidda Power Plant; i.e., only 3500 k.w., and since the King requires for both of his Palaces while he is in Jidda about half of the total capacity of the power plant, restrictions have already been placed on the use of power by the public. As you can imagine, such restrictions are causing plenty of discomfort for our own employees. At the present time orders are to the effect that we can not have air conditioning in our offices. Also, no air conditioning will be available from 6:00 PM to 10:00 PM. This situation reportedly will get worse before it gets better. Daily temperatures are well over 100°, with little relief at night.

In view of these conditions, I feel that FOA/W Personnel Division should lose no time in getting personnel of this Mission transferred to other posts.

Another important factor justifying such feelings is the fact that as soon as the Hadj is over, August 13, it will be impossible to move any of our personnel out of Jidda by any commercial airline for at least a month or six weeks thereafter due to the traffic congestion of the Hadjis returning to their homes.

Anything you can do to press for early reassignments will be appreciated very much by the members of this Mission.

Sincerely,

Harland J. Corson
Director
USA Operations Mission to
Saudi Arabia

American Embassy
Jidda, Saudi Arabia
July 17, 1954

PERSONAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

You have probably been wondering why FOA/W has received so few cables from me during the past few weeks. I have prepared a number of them to send but Ambassador Wadsworth preferred to incorporate them in his messages to State or in joint messages to FOA-State. The Ambassador has been most interested and cooperative in matters pertaining to the liquidation of this Mission.

In his Embtel 22 of July 12, the Ambassador asked for instructions for liquidating this Mission. I would have preferred to have FOA/W give me instructions, particularly covering the six items mentioned in TOUSFO 516. I hope that when the Ambassador receives instructions from State, they will cover the remaining five items mentioned in that cable. Instructions have been received already from FBO regarding the manner of handling leases on living quarters. The two points on which I am most interested in having your instructions are reassignment of personnel and disposition of equipment, furniture and supplies.

I am attaching copies of replies received to date from my cable of July 6 to NEA Missions regarding detail assignments of our technicians. These replies may be of some assistance to FOA/W Personnel Division in the reassignment of such technicians.

With kind personal regards to you.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosures - 6
As above

American Embassy
Jidda, Saudi Arabia
July 8, 1954

PERSONAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Well, here we are - just awaiting clarification as to our situation in Saudi Arabia. You can readily imagine the disappointment and disheartenment that prevails amongst the staff of the Mission due to existing uncertainties affecting the Mission. Through relatively frequent staff meetings I have tried to keep up the morale of the organization by keeping them informed as best I could regarding the situation. Their response has been admirable. This, however, has been more difficult since FY-54 ended with no agreements signed and no program money available. In order to alleviate this situation and yet at the same time try to hold the organization "on tap", I sent you TOUSFO 9 recommending that USGS personnel return to the States where they can complete the reports, etc. they are now working on here. I also cabled the MEA Missions several days ago, as per copy attached, in an effort to try to place, on a reimbursable detail basis for a maximum of ninety days, seven of our technicians who are without anything to do.

Since our program activities are practically nil, and since we do not have any idea as to when the situation of this Mission will be clarified, I cabled you today asking for instructions covering the immediate course we are to follow. As I have stated in previous correspondence to you, I see no purpose in maintaining the present staff here if we have no projects to work on and no program money available. Of course, there may be political reasons which would make it advisable to maintain a skeleton staff here in case the Saudis within the next few months decide to continue their acceptance of Point IV technical assistance. Ambassador Wadsworth concurs with me in that we should try to place our present staff elsewhere.

I understand that the Republic of Syria will elect its Parliament the 2d of August and shortly thereafter the newly elected Parliament will elect the new President. I am wondering if there would be any prospects of a Point IV Agreement being executed soon after the new regime assumes

power provided, of course, it has pro-Western leanings. What a happy thought it would be if this Mission in its entirety could be transferred to Syria, if the Saudis do not avail themselves of its assistance. This would certainly be a break for that country, for FOA-Personnel Division, and for the personnel of this Mission. Furthermore, I personally would be very happy in such event, especially as this Mission would still be a part of your Division in FOA/W. It would be quite an opportunity for the personnel of this Mission to show to you and to FOA/W what it can accomplish if given a chance. If desired, I will gladly negotiate, together with the U.S. Ambassador to Syria, an over-all TA and/or SEA agreement with the newly elected Government provided, of course, TA and/or SEA is requested by it.

I also note from the newspapers that the situation in Guatemala has changed from Communist to anti-Communist. This might be an opportune time for Point IV to enter into an agreement with that country and develop with it a rather extensive program to show the people of Guatemala, as well as the other Latin countries, what they can gain by "playing ball" with the free world, represented in this case by the United States through FOA. Here again, this Mission in its entirety could be transferred to Guatemala and be in operation in the different fields of activity without much delay. We have a very good group here, one capable of doing justice to the objectives of Point IV.

I was recently informed that Governor Stassen was in Cairo on June 29-30, but unfortunately I did not have an opportunity to discuss with him our situation here, as I certainly would like to have had.

We have had quite a bit of very hot, humid weather lately and as a result there has been considerable sickness among the foreign population here in Jidda. Nine of our own people have been laid up, mostly with dysentary and fever. Fortunately, most of them are "back on their feet" again now that the weather has improved during the last few days.

I shall appreciate very much hearing from you as to the thinking in FOA/W regarding the situation of the USAOM/SA which, as you know, is due exclusively to political issues remote from Point IV. We have been placed in the position of being a "political football". Naturally I am in constant touch with Ambassador Wadsworth. He keeps me pretty well informed as to developments of interest to this Mission and I am sure State keeps FOA/W similarly informed. My personal feeling is that if SAG does not wish to avail itself of Point IV assistance, they are more likely to let us "wither on the vine" rather than request the withdrawal of this Mission. It is very difficult for me to understand why SAG, because of certain political differences with the U.S. Government, is willing to let go all the priceless advantages and benefits at their disposal through Point IV. What a price they would pay for the gratification of personal emotions. They are so unpredictable in their thinking.

I hope I will hear from you soon.

Kindest personal regards.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
Cy. of cable to
MEA Missions

HJCorson:o

UNCLASSIFIED

USOM 1

July 6, 1954

TO: AmEmbassy, Beirut

Sent Beirut USOM 1 rptd info Cairo USOM 1, Tripoli USOM 1, Amman USOM 1, Baghdad USOM 1, Karachi USOM 1, Tehran USOM 1, Addis Ababa USOM 1, from Jidda.

Pending clarification USACM/SA situation, can make available on reimbursable detail basis, maximum ninety days, following technicians:

Parker - Animal Husbandryman

Barham and Rountree - Extension Specialists

Butler - Parasitologist

Anderson - Vocational Education Specialist

Schwan - Desert Range Conservationist

Gibbs - Soils Specialist

Advise whether any above technicians needed now assist your programs.

CORSON

HJCorson:c

UNCLASSIFIED

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FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

July 6, 1954

Mr. Harland J. Corson
Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

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Dear Harland:

This is to acknowledge your "Eyes Only" letter of June 17, in which you enclose a copy of your letter of June 16 to His Excellency, the Minister of Finance.

We here are certainly concerned about the situation in Saudi Arabia and hope that something will be worked out in connection therewith. However, the tenor of the official communications is not of such a nature as to be in any way assuring. Occasionally during the past several months some of your letters, including the one written June 17, would indicate there might be some hope for coming out of the present dilemma. It is extremely hard for us at this distance to visualize just what is going on in Saudi Arabia. Certainly we do not wish to "second guess" either you, the Ambassador, or the Saudis. We have tried to give you the maximum amount of leeway in negotiations in the development of programs and projects. You may rest assured that we are watching every mail to see if any new light is thrown on the situation.

Various segments of FOA and the State Department are working on liquidation procedures, if such are required. We have tried to convey to the Mission staff that we are going to stand by as long as there is hope, and that if USOM/SA is terminated we will try to place all those who wish reassignments elsewhere in similar work where there are vacancies. For the most part, they should therefore not become alarmed. In case liquidation becomes a necessity, it is presumed that everybody should be transferred as early as possible. It is obvious that some will be placed more quickly and readily than others. Our cable (USFOTO 416) requested information as to who wished to be transferred and who wished to terminate. As soon as this information is available, qualifications will be compared against available positions in other missions. Everyone will not move the same day. I would urge you to caution the staff not to become panicky over this and to assure them Washington is moving forward on placement elsewhere as expeditiously as various developments can be worked out. There will, of course, have to be someone left to dispose of the property, clean up the accounts and various chores which will arise as the result of closing out the mission. Our thinking here has been to the effect that perhaps this might be done with 2 or 3 people, and since most of the liquidation will deal with property and accounts, that Thel Taylor, Bode and a secretary would be the logical contingent to do this. Do give us your notions on this and your best estimate as to the amount of time that

CONFIDENTIAL

would be required to bring the liquidation down to the degree where it could be handled by the Embassy without being an undue burden.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

July 6, 1954

Mr. Harland J. Corson
Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

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Sincerely,

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

TELEGRAM

Foreign Service of the United States of America

OUTGOING

(2)

CONFIDENTIAL
Classification

CHARGE:

Control: TOUSPO #9

TO: FOA/W

DATE: July 5, 1954

For Taggart from Brown and Corson.

In absence any project agreements Natural Resources; in view impossibility any field work next three months; in view urgency geologic mapping, compilation water and mineral data and geographic map series, all of which can best be done in Washington, I strongly recommend you contact Johnston-USGS regarding return of Jackson and Brown with families and effects. Ambassador concurs. If FOA/USGS in accord, arrange USGS cable sconset travel orders also instructions regarding disposition USGS equipment. Brown suggests transfer to USAEI/SA power wagons, jeep, Dougherty station wagon and to some other field party in Middle East remaining station wagons and other equipment. Form 9003 can be submitted following your reply. Brown and Jackson should continue work here for about four weeks. Brown recommends Goudarzi and Bogue, with concurrence USGS, be detailed other ME countries until end tour duty. Goudarzi must travel with family so detail should be enroute or USA.

CORSON

RJCorson
GFBrown:o

CONFIDENTIAL
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

CONFIDENTIAL

(1)

American Embassy
Jidda, Saudi Arabia
July 3, 1954

Mr. Paul E. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

For the information of FOA/W I am attaching hereto a translation of an excerpt which appeared in a local newspaper here on June 30, last, giving Prince Faisal's reply to a question asked him by the Editor of the newspaper regarding Point IV in Saudi Arabia.

It is quite true that the people of Saudi Arabia have not seen tangible results of the activities of Point IV in this country since the projects which have been requested covered activities which would not produce results which the people of Saudi Arabia could see - such as the Railroad Survey, Monetary Agency, aerial photography of the Asir area and tariff and customs regulations. While it is true that Point IV has been largely instrumental in the development of water supplies for human consumption the actual work on the production of such water has been done by the Saudi Government through its own contractors and consequently the people receiving benefits from such supplies no doubt feel that the Government and not Point IV made such supplies possible for them.

As you know we have never been able to obtain any publicity for work done by this Mission nor have we been given any public recognization for such work; consequently the people of Saudi Arabia are not aware of the part played by Point IV up to the present in the economic development of their country.

Prince Faisal, as you will note from the attachment, did state that the activities of the Point IV Mission depend on the program developed by the host country, it being implied quite clearly that if Point IV has not produced more than it has in tangible results, it is

due to the fact that the projects on which Point IV assistance has been requested did not permit tangible results which could be seen and appreciated by the Saudi people. However, our FY 54 projects are designed for the benefit of the Saudi people and the locations at which they were to have been carried out, have been selected in or near centers of population. Had we been given the opportunity to cooperate with the respective ministries in carrying out such projects, the people of this country would be aware of our activities here. These facts have been pointed out to the Saudi officials, the last time being my letter of June 16 to H.E., the Minister of Finance, a copy of which I sent you.

You will note that Prince Faisal states that unless assistance given by the U.S. Government to Saudi Arabia is not sufficiently substantial, His Majesty's government would prefer to get along without it. You will recall that at the meetings I attended in Riyadh of the Finance Committee of the Council of Ministers, I was asked, pointedly, what financial assistance could be expected during the coming year from the U.S. Government. Obviously, I replied that I could not give them such information as it was not available due to the fact that our Congress had not even passed the FY55 Foreign Aid Bill. I, further, informed that Committee that the best way to obtain more funds for economic development is to show that such funds as have been allotted for such work have been used wisely and that positive results have been obtained. I, further, stated that I did not consider it appropriate to request more funds for Saudi Arabian development when funds already granted had not been used at all and we were practically at the close of our fiscal year. Therefore, it is quite apparent that what constitutes a "substantial amount" is a debatable question, especially if such amount, be it as it may, is to be used within the objectives of Point IV. Obviously, substantial amounts could be spent outside of such objectives, such as the building of roads, railroads, cement factories, fertilizer plants, etc., for the Saudi Government. Such activities I do not recommend for Saudi Arabia but do feel that technical assistance to the extent of around five million dollars could well be given, provided we could get full cooperation from the respective Saudi Ministries, and the people of this country would receive to a very large extent the benefits from such technical assistance projects as could be developed mutually between this Mission and the Saudi Ministries.

We are still awaiting decisions to be made by the Saudi Arabian Government pertaining to the continuance of this Mission here. In the meantime we are doing all we can in case we are asked to close the Mission, also in case it is decided that we should continue our activities here.

Sincerely

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJC/bc

American Embassy
Jidda, Saudi Arabia
July 3, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

FOA/W Advice of Charge No. 047-470-1, Allotment 3 AG34701, was received by the American Embassy/Jidda, in the form attached hereto. Only the last item and the first three items on the enclosed list were supported by related documents. These items were posted to the records kept by the Embassy.

The remaining items marked Schedule Nos. 7, 63, 101, 102, 108 and 123 were not supported by documents and were not entered in the Embassy's books, as the identity of the items could not be established.

It will be appreciated if the documents supporting the items enumerated in the preceding paragraph are forwarded to this office so that the necessary entries can be immediately made.

The delay in bringing the matter to your attention is due to a change in local fiscal personnel at the Embassy.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosures -
As above

JBode:o

TECHNICAL COOPERATION ADMINISTRATION

FOREIGN OPERATIONS ADMINISTRATION

Date 8-5-53
Advice of Charges
No. 047-470-1

TO : Director, Technical Cooperation, Jidda, Saudi Arabia

FROM : J. Carney Howell, Controller, TCA

SUBJECT : Inter-Office Transfers

The charges and/or credits appearing on the attached schedule supported by related documents, have been processed by this office on your behalf. All these transactions should therefore be posted to your records as month of July, 1953 business, as these transactions will be eliminated from our report covering that month. Please endorse the enclosed memorandum and return immediately. Any questions or exceptions regarding the items listed should be the subject of DS-912's.

TECHNICAL COOPERATION ADMINISTRATION

FOREIGN OPERATIONS ADMINISTRATION

TO : Controller
Technical Cooperation Administration
333 3rd Street, N.W.
Washington 25, D.C.

Date: 8-5-53
Advice of Charges
No.047 -470-1

FROM :

SUBJECT : Inter-Office Transfers

The total charges and/or credits listed on the above Advice of Charges have been recorded to the records of this office. Any additional information or adjustments necessary are shown by the attached DS912's.

Posted by :
Date :

TECHNICAL COOPERATION ADMINISTRATION Jidda, Saudi Arabia

Field expenditures paid by Washington during July, 1953

Schedule No.	Amount	Schedule No.	Amount
Appropriation - 112/31019(10)		Now - 72-112/3109(10)	
Allotment - 34701			
2	$ 4,745.40		
2	1,663.83		
2	184.75		
7	5,822.02		
63	10,017.02		
101	41.94		
102	1.25		
108	236.90		
123	14,604.78		
145	21.89		

Total $37,339.83

FORM DS-985
11-3-52

SCHEDULE NO. 145

APPROPRIATION 112/31019(10)

ALLOTMENT 34701

DEPARTMENT OF STATE
LIQUIDATION ABSTRACT

OBLIGATION NO.	TRAVEL AUTHORIZATION NO.	TRANS. REQUEST (or) BILL OF LADING NO.	AMOUNT*
28	American Export Lines	Obj Class.0302	13.97
53	" " "	" "	7.92
		TOTAL*	21.89

* Credits designated "Cr"

REMARKS

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

May 1953
Period Covered

Saudi Arabia 34701
Country

Public Health Service
Bureau or Division

TITLES II

Auth. No.	Description	01 Salary (4/12-25)	02 Salary (4/26-5/9)	01 Salary (5/10-23)	01 Salary (5/1-31)	02	03	04	06	07	08	11	Totals
2	Ferguson, Gerald				1,044.79	113.03	1802.43						2,960.25
	Brinck, Neil	463.09	392.45	392.45		305.06							1,553.05
	Butler, Joseph				232.10								232.10
	Totals	463.09	392.45	392.45	1,276.89	418.09	1802.43						4,745.40

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

May 1953
Period Covered

Saudi Arabia
Country

Office of Education
Bureau or Division

Activity Title I

TITLES II

Auth. No.	Description	01 Salary (4/12-25)	01 Salary (4/26-5/9)	01 Salary (5/10-23)	01 Salary ( )	02	03	04	06	07	08	11	Totals
4	Dolley, R. D.	432.21	432.21	432.21									1,446.63
	Travel					217.25							217.25
	Travels	432.21	432.21	432.21		217.25							1,663.88

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

May 1953
Period Covered

Saudi Arabia
Country

Office of Education
Bureau or Division

—
Activity Title I

TITLES II

Auth. No.	Description	01 Salary ( )	01 Salary ( )	01 Salary ( )	01 Salary ( )	02	03	04	06	07	08	11	Totals
103	Grants											184.75	184.75

DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Bureau

Various

Period Covered

11

Title

Country or Activity

33651

Auth. No.	Description	01	01	01	02						Total
Liberia	July & Aug. bill					34.30CR					34.30CR
"	Sept. bill					133.33CR					133.33CR
"	Oct. bill					1,063.81CR					1,063.81CR
Saudi Arabia 3						1,231.44					1,231.44
$96,573	Technical & Administrative Backstopping billed as shown above.										

To correct billing for months shown above.

1

American Embassy
Jidda, Saudi Arabia
June 30, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

The Quarantine Station Agreement executed by SAG and USAOM expired June 29, 1954. Obviously, such agreement cannot be extended under prevailing circumstances. However, we have not completed our part of the implementation of that project since all the equipment which we were to furnish for it has not arrived here. Furthermore, we have not furnished the agreed upon engineering service covering the installation of such equipment.

In order that we may fulfill our obligations under that agreement, we handed yesterday a letter to Dr. Rashad Faroun, recently appointed Minister of Health, in this connection, copies of which we attach hereto for your files. The contents of said letter are self-explanatory.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosures - 2
as above stated

HJC/bc

(2)

American Embassy
Jidda, Saudi Arabia
June 29, 1954

Dr. Rashad Faroun
Minister of Health
Kingdom of Saudi Arabia
Jidda

Excellency:

As you may be aware, the Quarantine Station Agreement between the United States of America Operations Mission to Saudi Arabia and the Ministry of Health of the Kingdom of Saudi Arabia expires today, June 29, 1954. Under the prevailing circumstances, we cannot extend the above-mentioned agreement at this time.

A portion of the equipment which the United States of America Operations Mission to Saudi Arabia has agreed to supply under the above-cited Quarantine Station Agreement has arrived at Jidda and is presently being installed. The remainder of the equipment is expected within a few days, and upon arrival it will be transferred to the Ministry of Health. Mr. Skrinde, our Sanitary Engineer, will be glad to continue to render assistance until installation has been completed unless he is reassigned to another post.

Your acceptance and acknowledgment of the above will be greatly appreciated.

Very truly yours,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

RTSkrinde:o

(1)

American Embassy
Jidda, Saudi Arabia
June 29, 1954

PERSONAL - CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I have just received your letter dated June 17 and am glad to note that you concur in the policy which I have been following; that is, "business as usual" with respect to the carrying out of the Health project agreements which have been executed. I shall continue to follow such policy until such time as we are informed by the Embassy here that we are to close the Mission. We are following the same policy with respect to the activities of our Public Administration Division, which is receiving full cooperation from the Ministry of Finance where they are working. Larry Smith informed me yesterday that he has received three requests for assistance from other agencies, which clearly indicates the effectiveness of the work his Division is doing.

This is the day before the close of our fiscal year, and we still have no agreements signed corresponding to the FY-54 period (except the Health projects referred to above) and I have been informed this morning that the Council of Ministers will not reconvene until July 10. With no agreements signed except the Health agreements, and as these can be completed within probably a month to six weeks, I am sure I will receive instructions from FOA/W as to what I should do in view of these circumstances. I can see no purpose of holding here the staff we now have, with no projects and no program money.

I am sure that FOA/W is being informed currently of cables sent to State by Ambassador Wadsworth on developments here and consequently there is no purpose of my duplicating such information.

It may be possible that SAG will approve work plans which we presented to them some four months ago under the Community Development Agreement. To date, because of certain political issues, we have made little or no progress in that direction. If such work plans are approved by SAG, we can use some of our technicians. This, of course, is based on not being asked to withdraw the Mission. No effort will be made to coax SAG into signing such work plans. The decision as to whether work gets under way on community development is one for SAG to make.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

June 17, 1954

PERSONAL - CONFIDENTIAL

Mr. Harland J. Corson
Director
USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Ans 6/24

Dear Harland:

Reference is made to your letter of June 7th, which enclosed the memorandum prepared by Glen Brown regarding the discussions with the Finance Committee of the Council of Ministers at Riyadh. We appreciate the detailed information contained in this memorandum and your letters and share fully in your concern over the pattern of developments. As matters now stand, there appears to be little that USOM can do but await the turn of events with as much optimism as can be mustered under the circumstances.

With regard to your question as to how to handle the problem of whether we should fulfill the obligations assumed under the four project agreements executed with the Ministry of Health (Quarantine Station, Maternal & Child Health Center, Immunization Program and Public Health Library), even though the SAG decides to cancel the overall TA agreement, I am at a loss to give you a definite answer at this time. There have been a number of precedents in this matter of withdrawal of TA assistance from certain countries, i.e., Burma, Guatemala, Ceylon. I am told that in each of these cases the policy of "business as usual" was followed right up to the date of decision to withdraw. Since we cannot foretell the outcome of the present situation I advise you to continue to go ahead with assistance on these projects until a decision is reached one way or another on continuance of the program as a whole.

If SAG should request a discontinuance of the FOA program in Saudi Arabia, the situation and facts will be reviewed at the time and appropriate steps outlined for an orderly withdrawal.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

June 17, 1954

PERSONAL - CONFIDENTIAL

Mr. Harland J. Corson
Director
USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

Reference is made to your letter of June 7th, which enclosed the memorandum prepared by Glen Brown regarding the discussions with the Finance Committee of the Council of Ministers at Riyadh. We appreciate the detailed information contained in this memorandum and your letters and share fully in your concern over the pattern of developments. As matters now stand, there appears to be little that USOM can do but await the turn of events with as much optimism as can be mustered under the circumstances.

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If SAG should request a discontinuance of the FOA program in Saudi Arabia, the situation and facts will be reviewed at the time and appropriate steps outlined for an orderly withdrawal.

Sincerely,

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

American Embassy
Jidda, Saudi Arabia
June 26, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I have just received your priority USFOTO 408 dated June 23, 1954 relative to Dr. Harland Paul who is immediately available for the position of Chief of Health and Sanitation Division.

In view of the existing uncertainties as to whether this Mission will continue, I sent you my cable TOUSFO 518 of today suggesting that Dr. Paul be employed for Iraq but with the understanding that he would be transferred to Saudi Arabia if he is required here after the existing situation has been clarified. In other words, I see no purpose in Dr. Paul joining the staff of this Mission at this time when we may be asked any day by SAG to withdraw.

I hope you will concur with my suggestion above cited.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson/bc

1

American Embassy
Jidda, Saudi Arabia
June 26, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-~~Saudi~~ Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Several days ago I received a copy of Prity Deptel #360 relative to the reallocation of unobligated funds involving reduction of our allocation 073-41-4C from $1,329,000 to $852,000. I had our Controller check all obligations corresponding to FY-54 and it was found that $896,000 would be required, rather than the $852,000 mentioned in Prity Deptel #360. We cabled SecState with revised figures and concurred in the reduction of allocation 073-41-4C from $1,329,000 to the revised figure of $896,000.

We are now four days from the end of our fiscal year and the only FY-54 agreements executed are those covering the Quarantine Station, Maternal and Child Health Center, and the Vaccine Laboratory. No other TA or SEA agreements have been executed as of this writing. However, the Council of Ministers is convening here in Jidda tomorrow, June 27, and rumors are to the effect that Point IV will continue its activities in Saudi Arabia, as strong efforts will be made to get the Council to separate Point IV matters from pending political issues. I am informed that His Excellency, Shaikh Abdullah Sulaiman, Minister of Finance, will spearhead this movement.

Now that our unobligated funds have been withdrawn, and in the event SAG informs us they are ready to execute pending TA agreements, the overall SEA agreement and the SEA project agreements, I shall cable you accordingly in the hope that the required funds can be reinstated for both TA and SEA.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

Ethel:

Mr. Corson thinks this was sent Friday, June 25 (PRITY). I have sent cys. to Lola to fill in the No. and date, and return to us.

Blanche

DRAFT TELEGRAM

CONFIDENTIAL PRIORITY

SECSTATE

Joint Embassy/USAOM Message.

Deptel Prity 360 concur reduction SA allocation 073-41-4c from $1,329,000 but to only $896,000 instead of $852,000. Revised figure required meet obligations through FY 54 as carefully rechecked today by USAOM controller.

WADSWORTH

GWadsworth/trg

Ltr to Paul Taggart, FOA/W 6/26

TELEGRAM

Foreign Service of the United States of America

OUTGOING

Tag. (2)

CONFIDENTIAL

Classification

CHARGE:

Control: TOUSFO #509

DATE: June 21, 1954

TO: FOA/W

U

Since your USFOTO 325, have received no communications from FOA/W giving us policy guidance, comments or instructions regarding situation USAOM here. Still no decision regarding agreements.

CORSON

HJCorson:o

CONFIDENTIAL

Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

1

(1)

American Embassy
Jidda, Saudi Arabia
June 26, 1954

Mr. Paul F. Taggart
Chief, ~~Iraq-Saudi~~ Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I have just received your letter dated June 14th relative to secretarial assignments.

As far as I personally am concerned, there is no misunderstanding regarding the assignment of secretaries recruited by the Personnel Division of the Foreign Operations Administration, Washington, such assignments being the prerogative of the Country Director. I know the source of the erroneous information given to you in this connection, since two Division Chiefs expected two recently arrived secretaries to be assigned to them. I had to correct this misunderstanding by pointing out to them that until such time as we have sufficient secretarial help individual secretaries could not be assigned to a specific division.

Please be assured that this question does not constitute any issue here as the matter has been completely clarified.

Sincerely,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson/bc

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

June 14, 1954

Mr. Harland J. Corson
Director
USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I am writing you regarding an apparent misunderstanding on the part of some Mission personnel with regard to secretarial assignments. It is my belief, based on comments from several informal sources, that some of the Mission staff are under the impression that secretaries are assigned by FOA/W to a particular division of USOM, prior to their departure from Washington.

I can assure you that in no case have we, or the Personnel Division of FOA, attempted to make any such assignments for secretaries proceeding to Jidda. In the first place, it would be a definite infringement on your authority as Country Director. As far as FOA/W is concerned, the placement and work assignment of secretaries within your organization is strictly up to your judgment, based on existing workloads and circumstances within the Mission.

Sincerely,

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

American Embassy
Jidda, Saudi Arabia
June 19, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I am attaching a copy of the draft of agreement which we presented to the Ministry of Defense, covering the installation of VOR equipment in Saudi Arabia. As you know, the execution of this agreement is still pending, awaiting "higher decisions" on the part of SAG. We have been informed, however, that that Ministry has approved this draft as presented.

I have sent today a draft of agreement to General Grover covering the transfer to USAF-Dhahran of the $75,000 for VOR installations in this country in the event SAG does not sign the agreement we have presented to the Defense Ministry. As soon as I have received General Grover's comments on this draft, I shall cable you the agreement we jointly propose for FOA/W's approval. As such agreement refers to the one mentioned in the first paragraph hereof, I thought I had better send a copy to you as soon as possible, which accounts for it going via APO.

Nothing new has developed since my last letter to you covering the conversation I had with Shaikh Abdullah Sulaiman, Minister of Finance, the other day. I am now waiting to see what, if anything, he can do with his fellow countrymen in this connection.

Kindest personal regards to you.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

not handled file room

Enclosure -
Draft agreement.

HJCorson:o

Letter to Sulaiman
Attached
Dated June 16. 54

American Embassy
Jidda, Saudi Arabia
June 17, 1954

EYES ONLY

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D.C.

Dear Paul:

You will be interested to know of the gist of a conversation which I had yesterday with His Excellency, the Minister of Finance, regarding Point IV activities in Saudi Arabia.

You will recall in my letter of June 12 I mentioned that Ambassador Wadsworth had told me not to communicate officially to SAG the fact that unobligated funds as of June 15th would be withdrawn. I did not agree with this, but of course followed the Ambassador's instructions. A friend of mine closely connected with the SAG Government and in particular with the Minister of Finance, recently returned from Riyadh and stopped by the office to inform me that he had picked up on several occasions a statement to the effect that "it is not like Mr. Corson not to inform us of such deadline". In view of this, and in view of the fact that as of yesterday no decision had been made by SAG as to whether or not Point IV activities in this country will continue, I decided to have a talk with my good friend, Shaikh Abdullah Sulaiman, Minister of Finance, on some other matter in the hope that during the conversation the continuance of Point IV activities in this country would be brought up by him. During a meeting which J. Jefferson Jones III, Counselor of the Embassy, and I had with Shaikh Abdullah during the early part of May last, Shaikh Abdullah talked at length regarding his dairy, poultry and vegetable farm which he is planning to establish near Jidda. I then promised him the services of our Agriculture technicians to advise him on this venture. He thanked me profusely and said that he would let me know when he could go with such technicians to the location of this projected farm to discuss the layout, etc. with them. Not having heard from him in this connection, I used this as an excuse to ask for an appointment to see him yesterday. I told him that I wanted to keep my promise in this matter and that in the event we had no Agriculture project agreements signed by the end of this month, in all probability our technicians would be returned to the States shortly after June 30th and consequently, if he wished to avail himself of their services, it would be well for him to do so now. This approach led, as I had hoped, into a discussion of Point IV activities in Saudi Arabia.

Shaikh Abdullah said that U.S. technical assistance in Saudi Arabia was his "baby", since he had signed the original TA Agreement and felt a responsibility for its being successfully carried out. He asked if U.S. funds would be available for agreements signed between June 15 and June 30. I explained to him that our Washington office is now in the process of reallocating unobligated funds by withdrawing them from the countries where apparently they were not to be used and transferring them to countries where they can be obligated before the end of the current fiscal year. I also explained to him that all unobligated funds as of June 30th of each year reverted to the U.S. Treasury and could not be used subsequently, and that if this should happen to funds allotted for development work in Saudi Arabia during the FY-54 period, it would be very hard for us to obtain funds for such work in Saudi Arabia for future fiscal years. Shaikh Abdullah stated that he understood this very well, as I had pointed this out to him during my meeting with him, together with Mr. Jones, last May. He stated that it was unfortunate that there were political issues being discussed by SAG officials higher than he, which was holding up the Saudi Government's decision as to whether or not it should continue accepting U.S. technical assistance.

During the conversation he stated several times that Point IV had done very little which could be observed by the people of Saudi Arabia and that he felt very strongly that our activities in this country should comprise projects involving direct benefits to the Saudi people. I explained to him that practically all of the proposed project agreements now awaiting approval by the respective Ministries are ones which do involve the welfare of the Saudi people and that, furthermore, locations where such projects will be carried out were especially selected in or near centers of population so that many people besides those directly benefitted by such projects would be aware of them. I also explained to His Excellency the lack of cooperation which we have received from some of the Ministries, without, of course, mentioning which ones.

As Shaikh Abdullah is very friendly toward this Mission and as he realizes how badly this country needs technical assistance, he said that if he had something with which he could "fight" for the continuance of U.S. technical assistance in Saudi Arabia, he would like to do so. He then asked me for copies of all pending agreements and a covering letter explaining our situation here. I attach hereto a copy of my letter to him of yesterday's date. The King returned to Riyadh today from Jordan and it could be that with the information he now has, he will get under way his "fight" for the continuance of U.S. technical assistance in this country. He may also continue such "fight" in the Council of Ministers, which is scheduled to convene in Jidda on Sunday next.

As you know, Shaikh Abdullah Sulaiman is still a powerful figure in the Saudi Arabian Government, is close to and respected by the King, and is a strong ally of Point IV. Consequently, I have hopes that very soon a decision will be reached as to whether Point IV activities will continue in Saudi Arabia. Based on this hope, I sent TOUSFO #505 of yesterday's date, informing FOA/W that agreements were still pending execution, but that we expect to receive a decision soon. Of course, I shall keep you informed of any developments of interest in this connection.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
Ltr to H.E. Shaikh Abdullah Sulaiman,
Minister of Finance, dtd June 16, 1954.

HJCorson:o

American Embassy
Jidda, Saudi Arabia
June 16, 1954

His Excellency
Shaikh Abdullah Sulaiman
Minister of Finance
Kingdom of Saudi Arabia
Jidda

Excellency:

This refers to my conversation with you of today.

1. The activities of the Point IV Mission to Saudi Arabia as projected for our fiscal year 1954 (July 1, 1953 - June 30, 1954) comprise technical assistance programs and economic aid projects. U.S. funds for the above programs total $1,462,000 and for the above projects $3,350,000, both including U.S. technicians' costs but excluding administration costs.

2. Technical assistance programs are in the following fields of activity:

Agriculture	Health and Sanitation
Natural Resources	Public Administration
Education	Transportation and Communications

Special economic aid projects are as follows:

Water development
Highway planning and engineering
Abha Irrigation Dam
Improvement to the Port of Gizan.

3. In addition to the above program and project activities, there are at present 24 Saudi trainees in the United States. Applications for 7 additional ones are at present pending Washington clearance, and arrangements have been concluded for sending 6 others to the American University of Beirut for a summer training session to begin July 3. All of these trainees have been selected and proposed by the Saudi Arabian Government.

4. In order that Your Excellency may be cognizant of the scope of the respective proposed project agreements under technical assistance and economic aid, I am pleased to attach hereto a copy of each agreement which has been pending for some time awaiting approval by the respective Ministries.

You will note that practically all of these projects have been prepared for the welfare of the people of Saudi Arabia and furthermore, most of such projects will be carried out in or near centers of population so that many people will be aware of them. The benefits to be derived by the Saudi Arabian people are described at the beginning of each agreement under the heading of Aims, or Objectives, or Purposes of each project. The project agreements covering Health and Sanitation have been executed and are now being implemented.

5. I would like to take advantage of this opportunity to reiterate to Your Excellency that this Mission is not only ready, willing and able to do its part in the fulfillment of such activities as are covered by project agreements executed or to be executed by the Saudi Arabian and the United States Governments, but is anxiously looking forward to having the opportunity to perform the services for which it was established in this country. Up to the present, the personnel of this Mission has not had an opportunity to show how it can assist each respective Ministry in the furtherance of its activities for the benefit of the Saudi people.

6. As you know, the end of this month (June) marks the end of our current fiscal year and funds allotted by the United States Congress for technical assistance and economic aid projects which are not obligated prior to that time will revert to the U.S. Treasury and cannot be used subsequently. In order to fully utilize all allotted funds, our Washington Office is now in the process of reallocating funds not obligated as of June 15. Of course, it would be most difficult to obtain further allotments of funds from our Congress for development work in Saudi Arabia during future fiscal years if funds alloted to Saudi Arabia for this year are not used.

7. With only two more weeks remaining in our fiscal year, you will appreciate how imperative it is that pending project agreements, as well as the overall economic aid agreement, be signed without further delay if the Saudi Government wishes to avail itself of Point Four assistance. Of course, I will do everything in my power to get executed agreements cleared through our Washington Office and the obligated funds set up prior to the end of this month, but each day's delay in signing these agreements makes this more difficult. I am sure that Your Excellency understands the importance of early decisions being made on the pending agreements.

8. In the event that it is deemed advisable to modify any of the pending agreements so that their objectives will fit more closely the requirements of the respective Ministries, I shall be only too glad to discuss such modifications and make any changes agreed upon.

Please accept my respects.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

American Embassy
Jidda, Saudi Arabia
June 12, 1954

SECRET

Mr. Paul F. Taggart
Chief, ~~Iraq-Saudi Arabia~~-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Day before yesterday (June 10) I received secret cable USFOTO #401 and unclassified cable USFOTO Circular X-73. No one in this organization except Taylor and myself knows of the contents of the first-mentioned cable informing us that the $3,350,000 Special Economic Aid Grant has been withdrawn but could be reinstated under justified circumstances.

My reply to USFOTO Circular X-73 today gave FOA/W the figures requested covering estimated unobligated funds as of June 15, of allotted Technical Assistance funds for FY-54. I should like to point out that the figure $27,000, corresponding to Trainees, does not take into consideration seven applications presently in FOA/W.

Upon receipt of USFOTO Circular X-73, I consulted with Ambassador Wadsworth as to whether he concurred in that I notify SAG that Technical Assistance funds unobligated as of June 15 would be withdrawn. His reply was to the effect that I should not do so apparently on the ground that it might jeopardize discussions now going on in Riyadh between the Prime Minister, Prince Feisal, and the King regarding the political issues of which you are aware and which involve Point IV.

In my cable of reply today, I asked FOA/W whether they concurred with me in that, if the political issues under discussion should be satisfactorily settled after June 15 but prior to June 30, and if during that period we were informed that SAG is ready to sign proposed TA agreements, we have no alternative than to sign them; otherwise I feel we would be acting in bad faith since we still have in effect an overall Technical Assistance Agreement, as well as program agreements, and as SAG knows that our fiscal year does not end until June 30. Furthermore, SAG can ascertain from the drafts of the proposed project agreements that they are of the obligating type. Consequently, they know that immediately they are signed, the funds - ours and theirs - become obligated.

I look forward to hearing from FOA/W in this connection.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

all from Carson

WC

TELEGRAM RECEIVED

FROM: SECSTATE

DATE: JUNE 9/1000Z, 1954

NO: PRITY USFOTO CIRC X-73

CODE: UNCLASSIFIED

RECEIVED: JUNE 10/731Z, 1954

All alloted technical assistance money unobligated on June 15 will be withdrawn. Cable amount estimated to be available for withdrawal this date immediately. If special circumstances your mission require exception provide full justification including date (s) of anticipated obligation (s) in addition to the data requested above.

STASSEN

lsa

DIST:

Ambassador
FOA - Action
Lindquist
File

Answered by TOUSFO #501 - PRIORITY - 6/12/54
Also see ltr to Taggart 6/12/54 (SECRET)

Info Taylor
Bode.

UNCLASSIFIED

American Embassy
Jidda, Saudi Arabia
June 10, 1954

EYES ONLY

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

As of last night there was still no news from Riyadh as to what decisions have been made regarding the destiny of Point IV in Saudi Arabia. Consequently we are all waiting to learn whether or not the hangman's noose will be put around our necks. Needless to say, the staff here is very disheartened, discouraged and impatient. For almost a year activities have been conspicuous by their absence -- first, due to the delay of our own Government in approving the FY-54 budget and setting up the required funds for the implementation of the respective projects therein; then the delay on the part of SAG in preparing their budget and getting it cleared through the Council of Ministers, and lastly, political issues coming to a climax, thereby bringing about a situation which could result in this Mission being virtually thrown out of Saudi Arabia. This has not been a happy picture and is quite a gloomy one at the present time. It is most unfortunate that this Mission is placed in a position of innocent bystanders due to political issues which are not even remotely related to it.

Naturally everyone has the idea that he wants to be the first to return to Washington in order to try to get relocated. I have tried to assure all that with recruitments in FOA/W so far behind, there is no doubt in my mind but that each one would be readily assigned to some other country. To assist me in efforts to keep up morale as best we can under the existing uncertainties, an assuring word from FOA/W would be of great assistance to me.

In the event that SAG does not sign before June 30 the pending project agreements under TA, nor the overall Special Economic Aid Agreement, I would like to receive instructions from FOA/W as to what I should do. As you know, we have four project agreements signed (Quarantine Station, Vaccine Laboratory, Maternal & Child Health Center, and Public Health Library), involving principally the furnishing of supplies and equipment. In other words, after such supplies and equipment have been delivered under the respective project agreements, there would be little or no purpose for this Mission to continue in Saudi Arabia and consequently it might be advisable to give notice to SAG of our intention to terminate the Technical Assistance Agreement of January 17, 1951. During the three-month notice period we could complete our part of the executed agreements and have the affairs of the Mission pretty well closed out. Of course, at the same time of notifying SAG of our intention to terminate the overall TA agreement, we would also notify them of our intention to terminate the respective

program agreements.

I shall look forward anxiously to hearing from you in the above connections.

I am wondering if anything is being done to establish Point IV activities in Syria where a new government recently came into power. It would be a happy thought if the personnel, equipment, etc. of this Mission could be transferred in toto to Damascus to carry out Point IV activities in that country. I should appreciate your letting me know if there are any developments being carried on along these lines.

Sincerely,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

American Embassy
Jidda, Saudi Arabia
June 10, 1954

EYES ONLY

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

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Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

American Embassy
Jidda, Saudi Arabia
June 10, 1954

EYES ONLY

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

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Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

(1)

American Embassy,
Jidda, Saudi Arabia,
June 9, 1954.

UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

At the Istanbul Conference there were considerable discussions regarding the advisability of improving the method of fund obligation in the implementation of TA programs and projects. As a result of such discussions a cable was sent out by FOA/W (Jidda USFOTO 189) authorizing Country Directors to conclude program/project agreements obligating funds under an approved budget without further Washington clearance, with certain provisos enumerated in that cable.

In studying "Operations Blueprint" as was transmitted to us attached to USFOTO Circular A-66 of April 29, 1954, we note that it is proposed to nullify the above-mentioned authorization for FY-55 operations, since on page 11 it states that project proposals will be submitted to FOA/W for clearances and that after these are obtained the Regional Office will authorize the Country Director to execute the project agreement. In view of this apparent reversal of authority given to the Country Director in line with decentralization (USFOTO 189), we sent you our TOUSFO 456 inquiring as to whether the proposed "Operation Blueprint" provisions covering procedure for handling project agreements would cancel the authority given in USFOTO 189, and that if such were the case we strongly recommended the continuance of such authority to Country Directors provided project agreements do not deviate substantially from budget presentation. We would like to reiterate this recommendation for FY-55 and subsequent operations. However, if FOA/W still feels that project proposals should be submitted for FOA/W approval prior to execution, we would like to suggest that this be done only on projects involving amounts in excess of say -- $100,000 as the U.S. contribution.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

MJCorson:o

American Embassy
Jidda, Saudi Arabia
June 8, 1954

UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

For the sake of expediency, my letter to you of June 7th with memorandum covering my meeting with the Finance Committee of the Council of Ministers at Riyadh, was sent via APO. Enclosed are additional copies.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Encls. - 2
As above

HJCorson:o

(1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

UNCLASSIFIED

PERSONAL

June 7, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

It was impossible for me to attach to my letter to you of yesterday, covering my trip to Riyadh, the memorandum prepared by Glen Brown pertaining to the discussions which took place at one meeting with the Finance Committee of the Council of Ministers on May 24th. In order that you may have it by the time you receive my letter of yesterday sent by air pouch, I am attaching hereto copy of such memorandum.

In the event that the political issues being handled by the Embassy should not be settled to the point where SAG would be ready to sign proposed TA and SEA agreements prior to the end of this month, I am wondering if there is any way by which funds allotted for such projects under both TA and SEA allotments could be held over, say for thirty days beyond the end of this fiscal year. I shall appreciate very much your looking into this matter, cabling me your findings.

As you know, we have four projects executed by the Ministry of Health; i.e. - Quarantine Station, Maternal and Child Health Center, Immunization Program and Vaccine Laboratory, and Public Health Library. Under the first agreement, the boilers, accessories and fans have arrived. The autoclaves are due to arrive here on June 15; the equipment we have agreed to furnish under the Immunization and Vaccine Lab agreement has not yet been ordered from FOA/W; likewise the library furniture and books under the Public Health Library agreement. Practically all of the supplies and equipment we agreed to furnish for the Maternal and Child Health Center have been received and delivered. It is my feeling that the obligations assumed under those agreements should be carried out, even though SAG decides to cancel the overall TA Agreement of January 17, 1951.

I should appreciate your letting me know if my feelings in this connection are correct. If not, I should like to receive instructions from FOA/W.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosure -
Memo. Riyadh Meeting

HJCorson:o

Memorandum of meeting in Riyadh, 24 May 1954, between Representatives of the Saudi Arabian Government and Representatives of United States Operations Mission to Saudi Arabia, on Economic Aid Program.

(10:00 PM)

The following were present from the Saudi Arabian Government:

H.R.H. Prince Sultan, Minister of Agriculture
H.E. Jamil Husseini — Mr. Sadek Bey Husseini
H.E. Shaikh Yussef Yassin — Dr. Ahmad Musa
H.E. Mohammed Surour — Mr. Sharif Kassam

The following were present from the USA Operations Mission:

Mr. Harland J. Corson
Mr. Glen F. Brown

Prince Sultan opened the discussion by asking if the general overall agreement for Economic Aid would apply to more than the four proposed projects which had been submitted by USAOM. Mr. Corson assured him that the agreement would apply to any additional Economic Aid and that it would remain in effect until cancelled on three months' advance notice by either Government. H.R.H. then asked that if SAG had more projects of Economic Aid in mind - as an example, the construction of the Riyadh-Jidda Railroad - would the United States Government consider them. Mr. Corson replied that he would be only too happy to present any such projects for consideration of FOA/W. H.R.H. then stated that from this answer he understands Mr. Corson would be willing to discuss other SEA projects. Mr. Corson's answer was that he would welcome such discussions.

Prince Sultan then asked, again using the proposed railroad as an example, how much money would USAOM contribute, to which Mr. Corson replied that he could not say as to any amount but that in general the people in USA and Congress want to increase technical assistance and decrease economic aid. However, in Saudi Arabia the two types of aid are similar in application -- not emergency gifts as wheat to India, Pakistan, and Jordan; currency stabilization in Iran -- but rather as another source of funds for development work. Shaikh Yussef Yassin then asked why discriminate against Saudi Arabia by asking that the Saudi Government put up counterpart funds for the Economic Aid Grants. Sultan asked Corson if discrimination were intended. The answer was definitely no. Sultan then returned to the railroad, as an example, and wanted to know how much did Mr. Corson think USA would contribute. Mr. Corson again replied that he didn't know but he would be glad to initiate discussion in Washington on such a project. Shaikh Yussef stated that the Saudi Government would be only too glad to cooperate on Economic Aid problems and asked if the USA would be willing to take care of some other projects; i.e., is USA limiting Economic Aid to the $3,350,000 grant, or would such assistance be extended or perhaps increased? Prince Sultan said that the Saudi Arab Government would like to cooperate with the United States Government, but at the same time it could not afford to have the name of having accepted aid for only $3,350,000. To both questions Mr. Corson replied that he didn't know what Congress would do regarding future economic aid grants, but that he felt economic aid would not stop at the end of this fiscal year. The meeting then adjourned.

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

June 6, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

In my letter dated May 16 I informed you that Crown Prince Faisel, President of the Council of Ministers, had summoned me to Riyadh to discuss and execute the proposed TA and SEA agreements. I left Jidda the following morning (May 17) and was accompanied by Sadek Husseini, Director of Liaison.

On the evening of May 17, I met with the Finance Committee of the Council of Ministers. That committee comprised:

Prince Sultan, Minister of Agriculture, as Chairman;
Shaikh Yussef Yassin, Deputy Foreign Minister;
Mohammed Sorour, Deputy Minister of Finance, and
Jamal Husseini, Advisor to the King.

The overall SEA agreement was the subject for discussion at that meeting. I cabled you from Riyadh (TOUSFO 462 - May 18) as to the Council's suggested modifications to the proposed agreement. There were several other modifications they wanted to introduce; also an additional clause stating that all maps, plans, photographs, analyses, assays and specifications shall remain the exclusive property of SAG, but after discussion they were withdrawn. The Committee wanted to know if SEA would be granted to Saudi Arabia in our FY-55 program, to which I replied that I did not know, although I personally felt that there would be.

The Committee then asked me if I had prepared project agreements under this year's SEA. Such agreements were presented in both English and Arabic. There was no discussion of these proposed agreements at that meeting. Prince Sultan stated that the respective Ministries would study them and discuss them with me later. These project agreements were: Water Development, road planning and engineering, Abha Dam, and Improvement to the Port of Jizan.

The following morning (May 18) I received a call to meet with a committee from the Ministry of Agriculture to discuss the water development

No Enclosures handed file room
6-9-54 - ers

project agreement. At this meeting there were Sharif Kassam, reportedly slated to be Director of Water Resources of the Ministry of Agriculture, Abdullah Dabbagh, reportedly slated to be Director General of Agriculture, and Dr. Ahmad Musa, an Egyptian lawyer assigned to the Ministry of Agriculture. I was told that the Ministry of Agriculture would prepare an agreement in substitution of the agreement I had presented, since the USAOM proposed agreement did not meet the requirements of the Ministry. There were no other discussions at this meeting.

The following day I sent a message to Glen Brown, who was in Dhahran at that time, to come to Riyadh to assist me in the discussions that were to follow. He arrived at Riyadh on May 22.

Four days later (May 22) I received a call from the above-mentioned Committee of the Ministry of Agriculture, asking me to meet with them that evening to discuss their proposed water development project agreement. After Brown and I read it over, I informed them that I could not accept it as it was presented, especially due to the financial clauses inserted therein. You will find enclosed herewith a copy of the agreement I presented and a copy of the agreement they presented. I particularly call your attention to paragraph No. 2 of Article III; and paragraphs Nos. 1, 3 and 4 of Article II. After much discussion and after observing the Agriculture Committee's uncooperative attitude, I suggested the meeting be adjourned until the following day.

On the evening of May 23, Brown and I met again with that Committee only to find that their attitude was even more unreasonable and less cooperative than the previous day. Under such circumstances, I called off further discussions with them, feeling certain that Prince Sultan was unaware of the stand being taken by his assistants and the Egyptian lawyer. When informed of the impasse that night by Shaikh Abdullah Turiki, a close friend of Prince Sultan and Sadek Husseini, the Prince agreed that discussions should be discontinued and that he would handle the matter. Nothing further developed with respect to the water development project agreement.

I might mention here that Sharif Kassam informed us, when questioning the SAG contribution of only $2,000,000 (instead of $4,700,000 required to do the water program the King requested that Brown prepare), we were informed that the scope of their proposed agreement was only a small part of the water development program they had included in their budget. The remaining part would be done by the Ministry with its own personnel, either Arab or foreign. With sub-projects to be determined by the Ministry of Agriculture only, you can readily understand that the U.S. contribution could be spent on work which would not benefit the Saudi people, but instead, only a given town or a Prince. I informed that Committee that the U.S. contribution was granted by Congress on the grounds that it would form part of an overall water development program as was discussed and agreed upon over a year ago between the Minister of Finance and this Mission.

The Abha Dam project agreement - within the scope of activities of the Ministry of Agriculture - was not even discussed.

I met with Prince Talal, Minister of Communications, three times, during which meetings cordiality and cooperation were greatly evidenced. He instructed his two technical advisors to discuss with me the Road Planning and Engineering project agreement. This meeting took place on the afternoon of May 23 and after only a few hours' discussion, we agreed on the terms and conditions of such agreement. It was presented by Prince Talal to the Council of Ministers on May 24 with a covering letter requesting authorization to sign it immediately after the overall SEA agreement was signed.

Mohammed Sorour, after studying the proposed project agreement covering improvements to the Port of Jizan, requested Sadek Husseini, who is also part of the Ministry of Finance, to discuss with me several minor changes in the text. These were acceptable and consequently a final agreement was prepared for this project.

The King invited me to dinner on May 20 but no business was discussed beyond the remark made by him, "I am being kept informed as to discussions in the Council regarding the development projects." He was very friendly and said he would like me to have dinner with him again before leaving Riyadh. I did not have this opportunity, apparently by reason of developments in the US-SAG relations during the last few days I was in Riyadh.

On the evening of May 24, I was asked to attend another meeting of the Finance Committee of the Council of Ministers. Brown accompanied me. I am enclosing a memorandum prepared by Brown covering this meeting. It was quite apparent at this meeting that the members of the Committee, although friendly, were preoccupied over something that had just happened but not related to Point Four, and merely were interested in knowing the magnitude of SEA that could be expected from the U.S. Government to weigh it against such other issues. The meeting was of short duration, but before it was adjourned I presented a new water development project agreement for the consideration of the Committee, after stating that we apparently could not agree with the Ministry of Agriculture on the Cooperative Service type of agreement. Prince Sultan took the draft of agreement and said he would study it. Nothing further developed in this connection.

Prince Sultan asked me to meet with him at 9:00 PM on May 26th. (He had to attend at 10:00 PM the last meeting of the Council of Ministers before recessing until June 8.) At that meeting it was most apparent that he had something to say which would embarrass him considerably. He was very friendly and after talking generalities for about ten minutes, he said he had to go to the meeting of the Council but wanted to thank me for the assistance and cooperation I had given his Committee, and that he would let me know within two or three days what decision the Council makes on SEA. I asked him if that applied to TA and his answer was in the affirmative. He then said Good-bye and left the meeting.

Upon my return to Jidda I learned that FOA/W's reply to my cable of May 18 was received here on May 23 but was not brought to me at Riyadh by Dr. Dolley, as I had instructed, due to the fact that a visa could not be obtained in time for him to go to Riyadh. I immediately drafted a letter to Prince Sultan, cleared it with Ambassador Wadsworth, and dispatched it to the Prince. No reply has been received. A copy of this letter is enclosed.

No TA agreements were discussed, although Sadek Husseini told me on several occasions that these agreements, as presented, had been accepted by the respective Ministries.

Several days after my return to Jidda, the Ambassador and I drafted a cable, which he sent to State, covering the situation as it existed then. Since that time the Ambassador has sent several other cables to State on the matter, which cables I am sure FOA/W has seen and discussed with State.

It is most unfortunate that USAOM is placed in the middle of a US-SAG relations dispute, completely unrelated to Point Four, and may be the "innocent bystander that gets hurt." I can assure you that the relations between this Mission and the Saudi Government as a whole, and the Saudi Ministries in particular, are excellent. This has been confirmed on several occasions lately by high Saudi officials.

As a precautionary measure, I am having the heavy construction equipment we purchased under the Community Development Agreement, the four new power wagons, the new water tank truck, and the six new Jeep station wagons taken down to the Embassy Compound for safe keeping. The Ambassador is in accord with this move. I will try to hold up the arrival here of the autoclaves and fans for the Quarantine Station. (The boilers have arrived.)

When and if official advice is received from SAG that they are not interested in SEA and they wish to cancel the TA agreement of January 17, 1951, I will write you regarding steps to be taken to wind up the affairs of this Mission.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosures - 4
2 Water Dev.Agmts submitted to Saudi Govt.
1 " " Agmt. " by " "
Letter to Prince Sultan dtd May 29, 1954.

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

May 28, 1954

Mr. Harland J. Corson, Director
USA Operations Mission to Saudi Arabia
American Embassy
Jidda, Saudi Arabia

Dear Harland:

As of this writing we are awaiting further word of the progress of your negotiations at Riyadh. I sincerely hope that your efforts will meet with success. The last message received here from you was the message relayed by the Consul General at Dhahran on May 24th which indicated your anxiety to receive a reply to your message of May 19th, which requested approval of certain changes in the wording of the SEA agreement.

The reply to your message of the 18th went out in DEPTEL 325 of May 22nd (joint FOA-State cable). It was, necessarily, a classified message and I am under the impression that it would have to be hand-carried to you at Riyadh from our mission in Jidda. Not being familiar with the mechanics of your communications facilities out there, this is only a guess on my part, but in any case I hope that it reached you without undue delay. For your information, the hold-up in getting the reply out was not occasioned by FOA/W but was within the State Department. We drafted an answer to your cable the same day it was received but it was revised and re-revised a number of times in State before receiving final clearance. Since the matter concerned the overall general agreement State had primary jurisdiction in the case.

Once again, congratulations on your speedy recovery from your recent operation and best wishes for success in obtaining Saudi approval of the various agreements.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

FOREIGN OPERATIONS ADMINISTRATION

Washington 25, D.C.

May 26, 1954

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

Reference is made to your letter of May 15 in which you request that you be forwarded copies of the agreements which have been concluded between FOA/W and Agriculture, Public Health, and Interior. According to your letter you have only received so far a copy of the FOA/W - Office of Education agreement.

I am enclosing a copy of Manual Order Transmittal Letter No. 37, which contains the Memorandum Agreement Between Department of the Interior and Foreign Operations Administration. As regards the agreements with Agriculture and Public Health Service--the Agriculture agreement is now being printed and will be transmitted in the near future. The agreement between Public Health Service and FOA/W is included in Manual Order Transmittal Letter No. 40, which also contains the Office of Education agreement. I believe you already have a copy of this but am transmitting an extra copy for your files.

I will take up the matter of FOA/W-USGS contract agreement in a separate communication.

Sincerely,

Paul

Paul T. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

May 25, 1954

Mr. Harland J. Corson, Director
USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

Reference is made to Bill Hazelton's letter of May 5. In this connection let me first assure you that we and the audio-visual people are well aware that the Farsi of Iran is not Arabic.

There are two purposes in sending to Saudi Arabia audio-visual and educational aids produced in other countries.

First, in USFOTO A-126 of April 14 and USFOTO A -127 (information copy of an airgram to Iran) USOM was informed of discussions between Dr. Hazel Robertson of ARAMCO and our Overseas Audiovisual Services Division. Dr. Robertson has done some work in Saudi Arabia to interest that Government in development and use of audiovisual materials for education. The Minister of Education had expressed interest in seeing what some of the other countries are doing in creating their own materials. He was reported to be aware of the films made in Iran, about the only serious effort at producing educational films locally anywhere in the Near East. Dr. Robertson urged that a selection of materials, with special emphasis on those for village improvement work and particularly mentioning the Iranian films, be sent to the Mission in Saudi Arabia for presentation to the Minister of Education. Dr. Robertson also asked that she be notified and permitted to come to Saudi Arabia for the presentation and explanation of these materials. She has a high opinion of Bob Dolley's work and hoped that this would be helpful to him. That accounts for our having asked USOM/Iran to send you a selection of their posters and other audiovisual aids and for our sending from Washington two of the Iranian films and some printed materials from other countries.

Second, throughout the world, FOA/W is encouraging the exchange of audiovisual aids produced in technical cooperation programs. It is hoped that they are serving as inspiration, example, and starting points for other Missions to prepare materials in their own countries for their own purposes. Recently, an Iranian magazine carried a translation of a leaflet on metal and leather craft, using the same drawings, which was prepared originally in Arabic by USOM/Libya. USOM/Lebanon adapted into Arabic a poultry improvement poster designed in Iran. We see many similar instances of "cross-fertilization".

The hardest part of designing an educational aid is frequently the outline or the visualization of it. If you need a poster to persuade people to boil water, it helps a lot if you can start with a poster, which may be in Chinese, which successfully gets the idea across in a few drawings and a few words. For something more complicated, like a graphic leaflet on the principles of nutrition, it helps to have the benefit of someone else's efforts to break the subject into simple components, with suitable illustrations, selection of essential detail and rejection of the unnecessary, etc. This is much more true of visual aids than of texts, of course, when other languages are involved.

Furthermore, just the idea may stimulate your own thinking. The fact that one country is doing these things may arouse a desire in other countries to do likewise, or better. You will probably get more materials from Iran than any other country, as this is our biggest program.

It may seem that I am laboring the obvious, but since you raise the question I want to answer it fully.

I know you will not be able to do much to develop audiovisual materials and methods in Saudi Arabia without the services of a specialist. I've written on this subject before but so far have not received much response. Audiovisual specialists are now at work (or on their way) in every Mission having a technical cooperation program in the NEA region except Nepal and Saudi Arabia. Up to the present little has been done in Saudi Arabia to develop media for spreading subject-matter knowledge. Saudi Arabia badly needs such media and it is our impression that there is considerable interest on the Saudi side in doing something about it. Dr. Robertson confirms this, as did Mr. Sadek Husseini when he was in here last winter. I hope you can find a starting point for some work along this line before long. It should fit very well into the educational program, if even on a very modest basis.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 5, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

The Education Division is constantly receiving material developed in Iran, especially visual aids (films, literature, posters, etc.) that are in the Persian language. This language, as you know, is not Arabic and cannot be understood even though sometimes the characters can be read by Arabic-speaking people.

Although we are glad to be the recipients of any and all kinds of materials that may from time to time be developed anywhere, it has occurred to me that possibly our friends in Washington are not aware of the fact that the Persian language is less intelligible than English in Saudi Arabia.

Sincerely,

Willis B. Hazelton
Program Officer

WBHazelton:mep

FOREIGN OPERATIONS ADMINISTRATION

SECURITY CLASSIFICATION
UNCLASSIFIED

PAGE		PAGES
1	OF	1

DATE SENT 4-14-54

DATE REC'D.

FROM - FOA/W

SUBJECT - Audiovisual Materials

REFERENCE - (Check one before each address)

DISTRIBUTION	ACTION	INFO.	ADDRESS AND SERIAL NUMBER
4			
MPR	X		JIDDA USFOTO A - 126
ARAB			
CPS			
ED			
FOOD			
NEF			
PHD			
JIDDA-3			

1. Dr. Hazel Robertson of ARAMCO reports a request from the Minister of Education in Saudi Arabia for representative audiovisual materials that might suggest similar approaches for use in educational work in that country.

2. Several films are being obtained which will be sent to the Mission for presentation to the Minister. Other printed materials are being sent from here under separate cover. USOM/Iran has also been requested to supply a selection of materials produced there.

3. When these three mailings have been received, they should be presented to the Minister. It is suggested that Dr. Robertson be invited to attend the presentation and assist in discussing the materials.

65p

4. Prints are now being made of the waterspreading film, called DESERT GRAZING, which was produced in the United States in connection with the tour last fall of Arab leaders and technicians. This film was narrated by Mr. Sadek Husseini. Two prints will be sent to USOM/Saudi Arabia for use in waterspreading educational work. While not intended as part of the presentation to the Minister of Education, this film might also be mentioned in the same connection.

OTHER AGENCY
AGRIC
HEW
STATE
USIA

RAND (ACTING)

Info!- Carson Hc
Educ.

THORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
William J. Caldwell	Gilfield/HLCarr:mea	N/PR	2829	4/12/54

A AND OTHER CLEARANCES

SECURITY CLASSIFICATION
UNCLASSIFIED

FOA AND OTHER CLEARANCES

A-51 (8-53)

(Do not type below this line)

FOREIGN OPERATIONS ADMINISTRATION

SECURITY CLASSIFICATION
UNCLASSIFIED

Action

PAGE		PAGES
1	OF	1

DATE SENT 4-14-54

DATE REC'D.

FROM - FOA/W

SUBJECT - Audiovisual Materials

REFERENCE -
(Check one before each address)

DISTRIBUTION	ACTION	INFO.	ADDRESS AND SERIAL NUMBER
4			
MPR	X		TEHRAN USFOTO A - 555
ARAB		X	JIDDA USFOTO A - 127
CPS			
DDM			
ED			
FOOD			
INDIA			
NEF			
PHD			
TEHRAN-10			
JIDDA-3			
70p			
OTHER AGENCY			
CIA			
HEW			
STATE			
USIA			

1. It would be appreciated if USOM/I would make up a small, highly selective set of representative audiovisual materials typical of those used in village educational work, and forward it to USOM/ Saudi Arabia.

2. These are needed for a special purpose.

3. Posters on control of eye diseases, literacy materials, and audiovisual aids on sanitation, hygienic practices, and conservation of water are suggested.

4. Several prints of Syracuse films are being provided by FOA/W.

RAND (ACTING)

THORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
William J. Caldwell	GWinfield/HLCarr:mea	M/PR	2829	4/12/54

A AND OTHER CLEARANCES

SECURITY CLASSIFICATION
UNCLASSIFIED

FOA AND OTHER CLEARANCES

A-51 (8-53)

(Do not type below this line)

Taggart.

(2)

Info to file

Embassy to relay message

H Sylvester

DHAHRAN

MAY 24 1038Z, 1954

328

UNCLASSIFIED

MAY 24 1307Z, 1954

SENT DEPT 187 RPTD INFO JIDDA 328

The following message below received from CONSEN by Aramco from Glenn Brown in Riyadh. Text as received here quoted exactly. Impossible clarify by telephoning Riyadh.

"Paul Taggart.

FOA/W, D.C.

Still at Riyadh awaiting FOA/W reply my cable 18 regarding SEA Agreement. Delay embarrassing. Consul trying conclude development project section their budget by 27th. To save time reply via Consulate General, Dhahran. Repeat Jidda. CORSON"

CARRIGAN

lsa

DIST:

Ambassador
FOA - Action
Lindquist
File

action Corson

UNCLASSIFIED

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

Mr Corson
Dr Dolley

May 18, 1954

UNCLASSIFIED

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

I refer to Dr. Dolley's letter of May 4th regarding the handling of Saudi Arabian trainees in the United States.

We all appreciated very much Dr. Dolley's comments on our efforts at this end of the line to ensure that the Saudi trainees obtain the maximum benefit from their grants. The trainees sent over have been, without exception, likable and sincere individuals. While it is true that in many cases they do not possess an educational background comparable to trainees from other countries, they have usually managed to overcome this handicap by diligence and perseverance. In some cases it has proved necessary to readjust the training program to fit the qualifications of the individual. There is no question that from an educational point of view Saudi Arabia is at the bottom of the list among the Arab states and all here feel that Dr. Dolley has done a remarkable job in the past two years in initiating the training program and screening and selecting trainees.

I consider the training program of vital importance and I believe that both USOM and FOA/W can take considerable pride in the fact that in spite of the various difficulties which have arisen in connection with the training program, all such difficulties have been overcome and each trainee has successfully completed the training course.

I concur most heartily in Dr. Dolley's commendatory remarks regarding Mitzi Settle's work. As Bob Dolley aptly states it, Mitzi's interest and assistance have been far above and beyond the call of duty. I have forwarded a copy of Dr. Dolley's letter, together with a memorandum of my own, to the Personnel Division to be made a part of Mitzi's personnel file.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

(1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 16, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

In my letter to you dated May 10, I informed you of the meeting which I had on May 9 with His Excellency, the Minister of Finance, regarding the existing situation here relative to development project agreements which have been for sometime in the hands of the Council of Ministers for consideration and approval.

Night before last, the Minister called Sadek Husseini and Glen Brown to his office. He informed Sadek that he was to leave early the next morning for Riyadh to discuss our pending agreements with the Council. Sadek left the next morning. He informed Glen Brown that if we would have ready three copies, in both English and Arabic of the Aerial Magnetometer Survey Agreement (TA) the following morning, he would sign them. This was done but His Excellency had to leave for Mecca and has been there ever since. I feel certain that as soon as he returns, he will sign this project agreement.

When Glen informed me of his conversation with the Minister, I immediately sent you a cable asking for an immediate transfer of $100,000 from U.S. technician's costs to program, for the purpose of implementing this agreement. I appreciate your prompt reply authorizing such transfer.

You might be interested to know that this afternoon, I was contacted by the Embassy and informed that the Crown Prince had wired the foreign office to get in touch with me through the Embassy and request that I leave as soon as possible for Riyadh to discuss our pending agreements with His Royal Highness. I am leaving here tomorrow morning and will write you or cable you, as the case may be, when I return to inform you of developments of interest which took place there regarding our agreements.

Sincerely,

HJCorson:mep

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 10, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

You will be interested to know of a meeting which I had yesterday afternoon with His Excellency, the Minister of Finance. J. Jefferson Jones III, Counselor of Embassy, and Mohammed Massoud, Arab Advisor for the Embassy, were also present.

The attention of the Minister was called to the following facts:

1. Prior to my arrival here a number of conversations were held between him, Mr. Dunaway and Mr. Jones relative to economic aid for Saudi Arabia.

2. As a result of such conversations, four projects were agreed upon as being the most appropriate under such aid; i.e., water development, Abha-Taif road, Abha dam, and improvement of the Port of Gizan.

3. As soon as official word was received here that both TA and SEA funds were available to this Mission, he was informed of this fact by Mr. Jones and me, and at that same time he stated, in response to a question I asked him, that he would sign the over-all Economic Aid Agreement and that His Excellency, the Acting Deputy Minister of Finance (Shaikh Abdul Aziz Sulaiman), would sign the project agreements thereunder.

4. I had presented to him a draft of agreement covering economic aid; he stated he had no comment to make regarding its contents and would present it to the Council of Ministers for consideration and approval.

Having reviewed the foregoing with His Excellency, the Minister, he was informed of the short time remaining in our fiscal year during which funds allotted for both TA and SEA programs had to be obligated by or under

signed agreements; otherwise such funds would be returned to the U.S. Treasury, thereby eliminating any possibility of their subsequent use. It was also pointed out to him that to get funds for either of the programs from our Congress for subsequent fiscal periods would be exceedingly difficult if funds appropriated for such programs during the present fiscal year are not used.

In view of these facts and the time required to negotiate agreements, the Minister's ideas were requested as to what could be done to expedite action on the part of the Council of Ministers with respect to proposed TA agreements which they have had for consideration and approval; also for the SEA over-all economic aid agreement, bearing in mind that after the latter agreement has been signed, the four respective project agreements still have to be negotiated and signed. The Minister stated that the Council was considering the over-all economic and social development picture and no doubt would be starting soon to consider individual projects thereunder. He stated that he understood thoroughly our concern as well as our position, that he would wire Riyadh (presumably the King, or at least the Crown Prince) on the matter, and would request an immediate reply as to what may be expected of the Council regarding disposition to be given to the TA project agreements, as well as the over-all economic aid agreement. He stated that he felt he would have a reply within two or three days and would contact us as soon as such reply is received.

In no instance did the Minister refer to such matters as over-all policy considerations, disagreements between the U.S. and Saudi Governments, or any unfavorable aspects of the existing situation. As a matter of fact, both Mr. Jones and I felt rather encouraged by the friendliness and cooperativeness displayed by His Excellency.

I had prepared a letter pointing out more or less the same facts which we gave the Minister, which letter, after having cleared the Embassy, I had planned on sending to either the King, as President of the Council of Ministers, or to Crown Prince Faisel, as Deputy President of the Council of Ministers.

In view of the fact that the Minister offered to contact Riyadh on the matter, I felt that I should not send my letter, but instead - await the reply from the Minister. Based on that reply, it can be decided whether or not a letter to the King or Crown Prince would be in order, and what the gist of such letter should be. In the event that it is considered advisable that a "strong" letter be sent, of course I shall cable the proposed text to FOA/W for approval before transmitting it. I shall keep you informed as to developments of interest in the situation here.

As a matter of interest to you, Bob Dolley just received a note this afternoon from Rajai Husseini, Advisor to Prince Talal, Minister of Communications, in which the question was raised as to whether part of the money

allocated for roads under Economic Aid could be used for Communications (presumably telephone). This could imply that project agreements are now being considered by the Council and in a favorable light. I told Bob to reply in a purely personal way that it was his feeling that such a shift in the use of those funds could be made, subject to the prior approval of the Director of the Mission and FOA/W.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

PAOL

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

April 28, 1954

UNCLASSIFIED

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

Taylor's wire notifying us of your emergency appendectomy came as a shock. I can think of more logical places to have something like this occur than in Jidda. I hope you have had good care and by the time this reaches you you will be well on the way to recovery.

We have all been very much disturbed about the program in Saudi Arabia. I am sure you and the Ambassador have been working with the Saudis as closely as they will let you. Please rest assured that if they do not enter into agreements for either TA or SEA that Washington has a full appreciation of the difficulties. At the round-up sessions the problem of agreements was presented to Governor Stassen. His reaction which we took for policy guidance was generally that we were willing to cooperate with the Saudis. We had offered them both TA and SEA and that the next move was theirs. In other words, we shouldn't try to coax them too much or influence them against their will. Your wires have come in with reference to whether or not the SEA general agreement was necessary. I believe our replies are to the effect that while we think it would be better and it is, of course, general policy, there is no hard and fast rule in this regard. The wires have indicated that if the Saudis are opposed to sign the general agreement then the statutory requirements could be included in each of the several project agreements. The general consensus of opinion here, as indicated in the wire, is to the effect that if either in the general agreement or in the project agreements if there is some particular wording to which the Saudis object, the matter should be referred to Washington for consideration.

Washington is perfectly agreeable to considering the Saudis demands and will be as lenient as statutory limitations will permit. It is presumed that once the Riyadh meeting is over the matter of agreements and the FOA program in Saudi will be settled. If in these negotiations difficulties are encountered, please cable us the details and your recommendations for Washington consideration.

With reference to signing the project agreements as encumbrance documents, it is probably easier for you to get Elmore over to Jidda than to try to send the agreements to Washington for approval. In other words, he can work out on the spot any changes which might be required. It is hoped that in some way or another this program can be worked out.

Again wishing for your speedy recovery,

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
CONFIDENTIAL

March 29, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

This will confirm our TOUSFO 343 of March 8 relative to the possibility of U.S. technical assistance being requested by the Kingdom of Yemen.

The Embassy here received cable No. 268 from the Department of State approving plans for my accompanying Ambassador Wadsworth to Yemen - when he presents his credentials - to discuss a TA agreement between USAOM/SA and the Kingdom of Yemen. We hope that provisions have been made by FOA/W to include in its FY-55 budget the amount of $200,000 for TA assistance to Yemen for technical assistance on roads and port construction. I shall appreciate your letting me know if such inclusion has been made.

Shortly after sending you TOUSFO 343, Ambassador Wadsworth received a cable from Sayed Abu-Taleb stating that the King had instructed him to represent Yemen at the forthcoming meeting in Cairo of the Arab League Council, which will last probably three or four weeks, and that due to this fact as well as the fact that Ramadan falls during the month of May, our visit to Yemen will have to be postponed until sometime in June next. I cabled you to this effect today.

In order to facilitate negotiations covering a technical assistance agreement for Yemen, Ambassador Wadsworth and I have prepared a draft of agreement and a draft of covering letter which we propose be presented to Sayed Abu-Taleb after having discussed the matter with him and other officials of the Yemen Government. I attach a copy of the proposed agreement and covering transmittal letter, and shall appreciate your letting me have FOA/W's comments thereon. For obvious reasons we have tried to make the agreement as plain and as simple as we possibly can so that there will be no misinterpretations of words or phrases. I hope that the enclosures hereto will meet with the approval of FOA/W and that I will shortly receive advice from you accordingly.

I might mention that Sayed Abu-Taleb on his way through here yesterday enroute to Cairo was shown informally the attached agreement and covering letter, and he stated that in his opinion the proposed agreement should be quite acceptable to his Government.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encl. -
Proposed TA Agreement,
as above HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

Mr Edens
Mr. Dulles

February 11, 1954

HC

Dear Harland, Henry, and Hugh:

I have just finished reading the Report on Public Relations Audit of U. S. Technical Cooperation Program in Latin America by Raymond W. Miller, which was forwarded to you on January 28 by Norman S. Paul. As indicated in Mr. Miller's conclusions and Mr. Paul's letter, the information contained in this report deals specifically with Latin America. Of necessity it would have to be adapted if used in some other country. I think the greatest contribution this can make to the technical cooperation program in your countries, aside from the pinpointing of much information already known to technicians, is to stimulate thought processes amongst the technicians which will enable them to analyze their activities and thus be in a better position to move forward in the right direction.

I would urge as has Norman Paul and Dr. FitzGerald that this report be read by everyone in your Mission. I would urge further that it be discussed at one of your staff meetings and that this discussion be further expanded by each Chief of Division--Agriculture, Education, Health, etc.--holding similar meetings at which all the technicians under his supervision take part. These discussions might well be personalized by having certain key members to indicate how Mr. Miller's presentation has been of use to them in their program. Will you advise me of any activities you carry on in this connection.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, & Africa Operations

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Mr. Henry W. Wiens
Director, United States of America
Operations Mission to Iraq
c/o American Embassy
Baghdad, Iraq

Mr. Hugh D. Farley
Director, United States of America
Operations Mission to Lebanon
c/o American Embassy
Beirut, Lebanon

(1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 15, 1954

UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Several weeks ago we were informed by FOA/W that agreements had been concluded between FOA/W and the following Tech agencies: Agriculture, Education, Public Health and Interior. To date we have received only a copy of the agreement with the Office of Education. Consequently, we should appreciate your sending us copies of the other three agreements above mentioned.

In addition to the foregoing, I should like to have word from you as to the status of present negotiations on an FOA/USGS contract. This will be important to us when and if we have our water development project agreement signed with SAG. As I have mentioned in previous correspondence with you, it is my thinking at the present time that it would be preferable to have two agreements with USGS -- one covering technicians and other personnel who might be employed to work exclusively under the water development project agreement, and the other covering Glen Brown, Roy Jackson, and other USGS personnel which we might have here, especially mineral geologists. Furthermore, mineral geology under a proposed aerial magnetic survey project agreement would be technical assistance and consequently US technicians' costs would not be included as part of our contribution in either cash or kind. On the other hand, US technicians' costs under the water development project agreement would be included in US contribution of cash or kind. Based on this distinction, it might be well to have the two agreements as suggested above. Your views in this connection will be appreciated.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 12, 1954

PERSONAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I am attaching for your information copy of a memorandum dated May 1, 1954, prepared by T. O. Parker, our Animal Husbandryman, addressed to Dr. Edens, Chief of our Agriculture Division, covering a conversation which Messrs. Parker and Barham, our Extension Specialist in Al Hasa Province, had with Mr. Guy Hamilton, Agricultural Consultant of Aramco.

Mr. Hamilton's comments regarding Point IV are quite interesting, although knowing him as I do, I do not attach much importance to his feelings about our objectives here. I could comment at length on Mr. Hamilton's remarks, and could easily prove the fallacy of his statements and the errors in his thinking. The significant part, however, is the fact that a consultant of Aramco feels as violently as he does against Point IV and the possibility of his voicing such opinions to people with whom he might come in contact.

I have not discussed this matter with any of the Aramco people here as I question the advisability of establishing an issue which might prove embarrassing and without point.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

no enclosure attached to file

Enclosure -
Memo., as above

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 9, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I am enclosing herewith an original in both English and Arabic of Project Agreement No. 4, in Health and Sanitation. This agreement covers the establishment of a laboratory for the manufacture of vaccines. You will note that Prince Abdullah El Faisal, Minister of Health, signed this agreement on April 27, 1954.

We have made it clear to the Ministry of Health that as soon as they show us an executed lease on a building suitable for such a laboratory or a contract with a construction firm for a suitable building for this laboratory, we will place our order for the agreed upon equipment. We have also made it clear that such equipment will not be shipped from the United States until such time as the building has been completely readied, including the installation of utilities.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

Enclosures (2)

HJCorson:mep

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 11, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I have recently sent to FOA/W several cables suggesting that, as a precautionary measure, the departure of newly recruited personnel, also the actual shipment of supplies and equipment, be held up for the time being and until we are in a position to know what action the Council of Ministers will take regarding our program/project agreements. If SAG does not see fit to accept our offer of Technical Assistance and Economic Aid or if they decide that they would prefer other programs or projects instead of some or all of those submitted, obviously personnel, supplies, and equipment requirements could vary or could even not be required.

In view of these possibilities, although not probabilities, I felt it prudent to avoid the incurrence of what might be unnecessary expense. It is hoped, however, that those cables will not cause a complete stoppage in both recruitment and fulfillment of our requisitions for supplies and equipment since all I suggested was that personnel not depart and supplies and equipment not be shipped.

I hope to be able to let you know very soon what the Council of Ministers decides to do regarding our program/projects. Of course, I think it very unwise to try to "sell them" our aid or try to coax them into accepting it. We have made our offers and it is now up to them to accept or reject it, in whole or in part. We are, however, pressing for a decision due to the short time remaining in our current fiscal year.

Sincerely,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:mep

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

April 28, 1954

UNCLASSIFIED

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

I refer to your letter of April 20th, transmitting information on the schedules of Saudi Arabian Airlines. I appreciate this information very much, together with your comments regarding the advantages of using SAA rather than Air Liban for the travel of our personnel reporting in to Jidda.

I have furnished a copy of your letter to the FOA Travel Section and that office has indicated it will request SAA bookings for future personnel going out to Jidda. It appears that heretofore the Beirut-Jidda booking has been left to the discretion of the Washington office of the airline carrying the passenger on the initial stages of the journey (New York-Rome-Beirut) and since this line was in almost every case Pan-American Airways the Air Liban booking Beirut-Jidda can be understood, since PAA would naturally not book through on SAA, which is apparently regarded in U.S. airline circles as a TWA subsidiary.

In any case, the Travel Section has authority to request specific booking on Saudi Arabian Airlines for the Beirut-Jidda leg and will adopt this practice. They were very glad to get the information contained in your letter.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

CONFIDENTIAL

May 3, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to your letter dated April 12 which arrived while I was in the hospital.

As I have informed you in correspondence going forward by this mail, the King recently approved the first section of the budget which covers Government operations and it is to be presumed that the second section of the budget covering development projects will now be discussed and approved. All indications which we have had so far point to the fact that substantial reductions have already been made in the amounts requested by each of the Ministers. For instance, we understand that the Minister of Communications presented a budget of 120,000,000 Saudi Riyals, and the last we heard was that his budget limitation now stands at SR 50,000,000. We have also heard that the Ministry of Education presented a budget of SR 50,000,000, but to date we have heard of no cuts in his budget. We have been promised a copy of not only the second section of the budget, but also a copy of the entire budget shortly after it has been approved. Immediately this is received we shall send you a copy for your information and files.

We discussed with the respective Ministers the approximate amounts which should be included in their budgets to cover SAG contributions to the respective projects under Special Economic Aid in order that in the preparation of their budgets such amounts might be included. As I have already informed you in recent communications, all of our agreements are now of the obligating type which means, of course, that as soon as they are signed, the covering funds will be encumbered. Now the question remains is - will the Council of Ministers get around to discussing with us and approving the execution of the 17 proposed agreements prior to the end of next month? Of course, we have pointed out at every turn the urgency of this matter so that FY-54 program funds, as well as SEA funds, will not have to be returned to the Treasury due to their being unobligated before the end of the fiscal year. We have also pointed out to SAG officials that it is not to be expected that our Government would

be very happy about appropriating funds for FY-55 programs and projects when the Saudi Government did so little to avail itself of the FY-54 funding available for programs/projects. I was informed last night that Shaikh Abdullah Sulaiman (MinFin) expects to return to Jidda tomorrow and will remain here for a few days prior to returning to Riyadh. We have already asked for an appointment with him in order to review this whole situation and to obtain his valued views as to when we may expect action.

I have written you by this same mail regarding the matter of sending specifications for contracts to FOA/W at this time and will await your advice in this connection.

With respect to my having clearance from Washington on program/project agreements, this was given to all directors shortly after the Istanbul conference. In other words, directors are authorized to draw up their own agreements, execute them and then forward a copy on to Washington. I recently reviewed all communications with FOA/W for the purpose of ascertaining whether or not the aforementioned authority covers SEA project agreements, as well as TA agreements, but could find nothing specific. Consequently, I cabled FOA/W asking whether SEA project agreements should be forwarded to Washington for approval prior to execution but to date have had no reply to that cable. Ambassador Wadsworth has informed me that in the event I do not receive a reply prior to the time when SAG is ready to sign such agreements, I should go ahead and sign them with his authorization. I hope that I will hear from Washington soon in response to my inquiry in this connection and that in view of the late date I may be authorized to handle SEA agreements the same as I am authorized to handle TA agreements.

Sincerely yours,

Hartland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

April 12, 1954

ans 5/3

CONFIDENTIAL

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

file

Dear Harland:

This is to acknowledge your letter of March 10, 1954 in which you explain the budgetary procedure being promulgated in Saudi Arabia. We shall, of course, be interested in the development of the budget. In this connection, have you had any indication from the Ministers as to the amounts which we might expect to be contributed to the projects being funded by us under technical assistance and special economic aid programs?

With the delay of Saudi Arabia in considering the project agreements, I am very much concerned about being able to get our funds encumbered this fiscal year. From the last communication, it appears that consul of ministers may be in session until about the first of May. If that is the case, we have only two months left in the fiscal year to encumber something over $4,000,000. It will, no doubt, take some time to negotiate the exact amounts which will be contributed under each project agreement. As I have indicated to you in previous communications, there is not much opportunity to encumber any of these funds through recruitment processes or Government procurement. I have suggested previously that we ought to, to the maximum extent possible, utilize contracts for this purpose. In this connection, I have suggested and urged that we get the specifications into Washington so that we can do all of the necessary preliminary work and be in readiness to enter into contracts as soon as you notify us that project agreements have been consumated. Specifications for contracts would be essential whether we use direct Government contracts with suppliers or firms, or whether we utilize the device of a project agreement to encumber the funds and then enter into contracts. So, under any circumstances, it is desirable that at the earliest moment we receive the specifications for all contracts which you anticipate will be needed in Saudi Arabia. I should also like your ideas as to whether or not you intend to use project agreements as in encumbrance documents. If so, do you have required clearance from Washington on all of them? If the Saudi Arabians do not approve the agreements until about the first of May and then they are forwarded in here for clearance, time will be extremely short to get approval thereon and return them to Saudi Arabia before final execution before the thirtieth of June. It is, therefore, my suggestion that you review all project agreements with the idea in mind that if Washington approval is required, that they be forwarded to us immediately in order that the necessary clearances can be obtained while you are waiting the action of the SAG.

Kindest personal regards. I am

Sincerely, Paul

Paul F. Taggart

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

file
maps
Ed Lenker
17 Feb

March 1, 1954

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

Reference is made to your TOUSFO 315 of February 17 in which you request that six copies of certain Army maps covering Lebanon, Syria, Jordan and Saudi Arabia be forwarded to you via air mail.

We followedthrough immediately with Army Map Service on receipt of this request. Army Map informed us today that the maps were sent forward this morning via air mail. However, they were addressed to the Embassy at Jidda, rather than to USAOM.

You may wish to alert the Embassy to this matter to make sure the maps reach USAOM and do not wind up decorating the walls of the Embassy.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon & Syria Division
Near East, South Asia, & Africa Operations

Mr Joyce

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CHARGE:

UNCLASSIFIED
Classification

Control: TOUSFO #315

TO: FOA/N

DATE: February 16, 1954

Send airmail six copies each Army maps covering Lebanon, Syria, Jordan, Saudi Arabia, Nos. G-37, H-37, I-37, H-36, I-36.

CORSON

HJCorson
EFSinclair:

UNCLASSIFIED
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CONFIDENTIAL
Classification

CHARGE:

Control: TOSFO 4449

TO: FOA/M

DATE: May 8, 1954

For Taggart.

Ambassador recently discussed situation here with King. Suggest you contact Britsian of State to learn gist that conversation from Ambassador's cable dated May 5. Writing.

CORSON

EJCorson:o

CONFIDENTIAL
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

(1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 2, 1954

PERSONAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

After having had a "close call," I am glad to report that I am back on the job again, feeling better than ever. I certainly had a miraculous recovery.

Without any forewarning I started having abdominal pains somewhat like cramps late Thursday afternoon of last week. After suffering with them all that night and the next morning, I decided to check with a doctor. He immediately pronounced it acute appendicitis "and maybe other complications." Without losing any time he rushed me to the hospital here, where I was given a knockout shot and wheeled into the operating room. It was found that the appendix, instead of being in the normal position, was embedded in the intestines in the middle of the abdomen, had ruptured in two places, and about half of it was gangrenous. To make matters worse, peritonitis had set in. After an hour and a half on the table, I was rolled out into a room that was like a sweatbox and about ten hours later I came out of the anaesthesia feeling quite uncomfortable but without any of the usual after effects; i.e., gas pains, nausea and headaches. The next day I felt very good and was allowed out of bed several times. The third day I dictated my letter to you of the 26th and was ready for work but on doctor's orders, all I could do was be quiet and receive visitors. Everybody was so nice to me and I certainly did appreciate it.

I came home from the hospital yesterday feeling like a million dollars and am working from home for a few days before going back to the office.

The surgeon told me yesterday that had I delayed three or four more hours before reporting to the hospital, I would probably be playing dominoes with St.Peter by this time, so all is well that ends well.

In line with your telegraphic instruction, Thel Taylor will get a complete medical report and will forward it to the Medical Officer.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 5, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

We are sending this APO because we are so anxious to get clearance for these applicants by July 3. This will be our first time for sending trainees to AUB and we have strained everything to meet the deadline.

The letter from Adams of AUB, although sent April 7, did not reach us until April 23, and the cable saying that the course was approved from Beirut did not reach us until the 24th. Since then, we have been in high gear.

We would like to send six of our primary teachers to the special AUB seminar session, but the notices reached us so late that we can't possibly comply with routine requirements and get them to Beirut in time for the opening.

Please do what you can to get these six applications through for us. Our next pouch is a week off and it will take two weeks after that, so APO is our only means of making the deadline.

Sincerely,

Harland F. Corson, Director
USA Operations Mission to Saudi Arabia

RDDolley:mep

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 5, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

We have received a request for the U.S. "Trade-mark Act of 1946" which we would like to fulfill.

Your kindness in attempting to procure a copy for us will be very much appreciated.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

LWSmith:mep

cc: Mr. Husseini

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 4, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Mr. Taggart:

Upon the request of our returned grantees, I am writing to thank you and members of your organization for the constructive and cooperative interest that has been exemplified by FOA/W in the handling of our Saudi trainees.

Though much might be said complimentary and otherwise about our grantees, the fact remains that they have acquired a sincere and honest appreciation for the American way of life and the integrity of our national purposes and policies. This attitude is a credit to the sincerity of purpose and friendship accorded our grantees by our Washington staff who have given honestly and generously of their time and effort in relieving the inevitable difficulties that arise with grantees from Saudi Arabia.

Particularly do I want to thank Mrs. Mitzi Settle for her interest and assistance given many times far above and beyond the call of duty. Without exception, all of our Saudis consider her assistance and friendship as one of the brightest assets of their experience in the States. Those who have returned cannot praise her more, and those still in the States who write usually mention her name with obvious esteem.

Sincerely yours,

Robert D. Dolley
Chief, Education Division

RDDolley:o /

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 5, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

The Education Division is constantly receiving material developed in Iran, especially visual aids (films, literature, posters, etc.) that are in the Persian language. This language, as you know, is not Arabic and cannot be understood even though sometimes the characters can be read by Arabic-speaking people.

Although we are glad to be the recipients of any and all kinds of materials that may from time to time be developed anywhere, it has occurred to me that possibly our friends in Washington are not aware of the fact that the Persian language is less intelligible than English in Saudi Arabia.

Sincerely,

Willis B. Hazelton
Program Officer

WBHazelton:mep

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

Tazzard

May 6, 1954

CONFIDENTIAL

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

I have just received your TOUSFO 437 reporting your return to duty. It is fine that you have made such a speedy recovery and all of us here are delighted that you are back on the job. As I remarked to Norman Paul today, you really "bounced back" from the appendix operation.

I appreciated very much your letter of April 26th, which, I understand from the note attached by Miss Oakes, was dictated at the hospital on the third evening after your operation. I am indeed sorry about the unwarranted delay in transmission of my letter of March 18th, which you did not receive until April 26th. Pierce has gone into this matter of prolonged delays in mail transmission with the FOA and State Department pouch and courier people. Classified mail for Jidda is routed through Cairo and brought into Jidda by the weekly courier. Since there appears to be no delay in the Washington-Cairo transmission, State Department is writing the Cairo courier office to look into the matter and ensure that no unnecessary delay occurs at Cairo. I hope that we may be able to improve the transmission times for correspondence.

I have noted all agreements which have been submitted to the Saudis are of the obligating type. While I agree that this does eliminate some of the "time pressure" as regards obligation of funds (assuming the Saudis approval of the various agreements is forthcoming); I am still strongly of the opinion that we should get draft specifications written up for the various projects on which contracts may be necessary. Your point is well taken that the Saudis might consider it presumptious for us to engage in any dealings with U.S. contracting or engineering firms regarding contracts, without keeping them informed. However, it appears to me that if we have draft specs ready, when and if the agreements are signed, we would be in a far better position to expedite implementation of the program. Such draft specs could then be renewed with the Saudis and revised, if necessary, before bids are solicited.

With regard to personnel - you have been notified by USFOTO 351 that Beulah Confer's transfer from Bonn to Jidda has been approved

and Miss Confers should arrive in Jidda shortly. Moller and Leonard are now going through orientation with ETA Jidda about May 25th. Bremseth will EOD about June 1st and should arrive Jidda before the end of June. The appointment of Dr. Harland Paul as Chief of Public Health Division is not yet definite, but I believe there is an excellent chance he will accept the Jidda appointment.

Your comments regarding the undesirability of having new employees sent into Jidda during the period July 15-September 1st have been noted here and passed on to FOA Personnel Division. We will do our best to comply with your suggestions.

Once again, congratulations on your speedy recovery and best wishes for continued health.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

April 27, 1954

UNCLASSIFIED

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

With reference to personnel recruitment the following will serve to bring you up to date:

1. Miss Beulah Confers - Miss Confers is scheduled to proceed to Jidda from Bonn, Germany, as soon as her replacement arrives at the post. Personnel is unable to tell us just when Miss Confers will leave Bonn, but no great delay is anticipated.

2. Medical History Statements of Mrs. Carlotta Combs, Mrs. Bobbie Lee Scudder, and Mrs. Mavis King Everett are now being processed. Personnel informs me that temporary employment of Mrs. Everett is being authorized by a cable going out today, and that authorization for Mrs. Scudder will follow shortly. USOM already has received authorization for Mrs. Combs' employment.

3. With regard to Mr. Ernest Linden (Customs Specialist), I am sorry to say that we have bad news - Mr. Linden has now declined to accept the appointment. This is quite a blow as he has been "in the mill" for over three months and was just about to enter on duty. Linden was married several weeks ago and it may be that his wife was unwilling to go to Saudi. The reason Linden gave FOA/W was that he had received medical advice to the effect that he had a bronchial condition and service in Saudi would be damaging to his health. In any case, the loss of Linden's services puts us right back to the beginning in filling the Customs job. FOA/W Personnel Division and this office will do all possible to speed recruitment for the position.

4. Joseph Leonard (Agriculture) - is expected to EOD on April 29th.

5. William Moller (Agriculture-Engineer) - is expected to EOD on April 29th.

6. Dr. William Harland Paul has been mentioned to us as a possible candidate for the position of Chief of Party for Public Health.

Dr. Paul has had long experience in Latin America for the Public Health Service, his latest assignment having been Chief, Public Health, USOM, Lima, Peru. Dr. Paul is now on home leave. The PH people discussed an assignment to Jidda with him when he recently passed through Washington. It will be discussed with him further when he returns to Washington early in May.

7. Cameron Bremseth - we were informed several days ago by Personnel that they hoped for Bremseth to EOD on April 29th. However, Bremseth is engaged in a teaching course and cannot be released until about the first of June. We now expect him to EOD on or about June 1.

You will be kept informed regarding further developments in the recruitment of field personnel.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

May 3, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Thank you for your letter of April 22 and for the attachments pertinent to FOA investment climate activity in Turkey, Egypt and Greece. The material submitted was of great interest to us, and I am sure it will be helpful to Joseph Farrell who is just getting started.

We note your thoughtful promise to be on the alert for similar data of the same character.

Sincerely,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

LWSmith:mep

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CHARGE:

UNCLASSIFIED
Classification

Control: TOUSFO #427

DATE: April 26, 1954

TO: FOA/W

For Taggart. From Taylor

Your confidential letter March 18 arrived here today. Will answer soonest.

CORSON

TFTaylor:o

UNCLASSIFIED
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

April 1, 1954

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I was glad to learn from your letter of March 3 that the material on Community Development forwarded to you on February 9 has proven of value.

Dr. Carl Taylor was informed of your interest in the possibility of his making a short stopover at Jidda enroute to his headquarters at New Delhi. He actually had included such a stopover in his travel plans, along with similar visits to Cairo and Amman. However, it became necessary that he cancel these stopovers in order to arrive in New Delhi in time for consultation with Mr. Clifford Wilson, FOA Country Director for India, before Mr. Wilson's departure for the United States on home leave. Dr. Taylor departed Washington on March 26 with ETA in New Delhi on April 1. Mr. Wilson is departing for the U. S. on April 5.

As Regional Community Development Adviser, Dr. Taylor is authorized to travel as required throughout the Near East and South Asia. I understand that he plans to visit each country in the area, assigning priority to those countries in which his services are most urgently required. His schedule for such visits is not yet established and you may wish to write to him directly in care of USOM, New Delhi, regarding the desirability of an early visit in connection with the community development problems in your program.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operation

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

April 22, 1954

UNCLASSIFIED

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

I refer to your letter of April 13th concerning USFOTO Circular A-49, "Steps toward Single FOA Overseas Personnel System". I heartily agree with your comments regarding the value of keeping our Country Directors informed as to policies and procedures being discussed in FOA/W.

We make it a practice to stress continuously the necessity of Country Directors having a voice in the shaping of such policies and procedures, but many of these matters are formalized, unfortunately, before the Mission Chiefs have been consulted.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 13, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and African Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to USFOTO Circular A-49 dated March 25 covering as subject matter, "Steps toward Single FOA Overseas Personnel System."

I have read with interest the subject matter of this circular, and heartily concur with the objectives set forth therein. I also heartily endorse the consideration being given to keep Missions informed as to what is being discussed in FOA/W along policy lines affecting Mission staff, particularly if Country Directors are given an opportunity to voice their views on such matters while under discussion.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

AIRGRAM

FOREIGN OPERATIONS ADMINISTRATION

SECURITY CLASSIFICATION
UNCLASSIFIED

PAGE 1 OF 4 PAGES

DATE SENT Mar 25, 1954

DATE REC'D.

FROM - FOA/Washington

SUBJECT - Steps Toward Single FOA Overseas Personnel System

REFERENCE - (Check one before each address)

ACTION	INFO.	ADDRESS AND SERIAL NUMBER
X		USFOTO CIRCULAR A-49
X		USRO PARIS TOECO A-820
X		RANGOON USFOTO A-132

DISTRIBUTION: 4, PERS, ACC, ADSTR, ADSTRCR, AFPAK, AFR, ARAB, BUD, CDC, CF, DDM, DDO, ED, EJ, EXSEC, FOOD, GC, GT, INDIA, IRAN, ISR, MCONT, MPSI, NEAA, OEUR, OFE13, OLA, O&M, ONEA, PAK, PHD, SIND, NEF

OTHER AGENCY: 440P, AGRI, COMM, HEW, HHFA, INTR, LABOR, STATE, USIA

Mr. Cosson Do you think this should be run off as a ditto to advise the staff? dip

no

I. Purpose

The purpose of this airgram is to set forth for information of missions certain steps which have been and are to be taken in developing a single FOA overseas personnel system, which will (1) fully integrate the personnel systems of MSA, TCA, and IIAA, (2) result in the establishment of a single salary structure for all FOA U.S. employees overseas, (3) facilitate the movement of personnel between regions, (4) transfer many of the employees of participating agencies to FOA rolls. (This will be dealt with more fully in a separate communication.)

2. Objectives

There is currently being undertaken, under the jurisdiction of Mr. Philip Young, the advisor to the President on personnel, a study which will result in recommended legislation in the next session of Congress. The present objective is to develop a foreign affairs personnel system which will be basically applicable to overseas operations of the Department of State, United States Information Agency, and the Foreign Operations Administration.

In view of this study, the progress which has been made, and the agreement in principle at the Cabinet level, personnel plans in FOA are being developed consistent with these objectives and within this general framework. These plans will also facilitate coordination and cooperation with the Department of State.

3. Development and Application of Regulations Affecting Overseas Employees

It is our objective to take into account views of missions in the development of personnel regulations affecting field personnel, particularly where there is a major deviation in policy.

We are currently

AUTHORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
R. E. Peterson	John B. Robinson	Personnel	2725	3/16/54

FOA AND OTHER CLEARANCES

Wm.E.Riley,DD/M _____

DAFitzGerald,DD/O _____

SECURITY CLASSIFICATION
UNCLASSIFIED

FOA AND OTHER CLEARANCES

Info: Taylor Div. Chiefs

FOA-51 (8-53)

(Do not type below this line)

We are currently reviewing carefully the personnel regulations of MSA, TCA, and IIAA, and in addition those of the Department of State. We are moving ahead to publish FOA personnel regulations in the Manual Order series. In the present situation, where it is desirable to evidence FOA/W guidance as soon as possible, we will not be able to ensure field participation to the extent we should like. We nevertheless will welcome your comments on these issuances as published. Comments will be considered for revision, time of revision depending on the legal permissability of proposals, its effect as generally applicable to other missions and other areas, availability of funds, and urgency.

Personnel regulations currently in effect remain in effect until revoked by new FOA regulations.

4. Overseas Appointment and Compensation Authorities

There are two basic legislative authorities which FOA could generally use for appointments - the Economic Cooperation Act of 1948 or the Act for International Development of 1950. Each contains two alternatives. The first is appointments with the rights and privileges of the Foreign Service - under general jurisdiction of the Civil Service Commission. The second was appointment into the Foreign Service by or under authority from the Secretary of State.

The Mutual Security Act of 1953 (Sec. 547) contained the following provision:

> "Where administrative arrangements, including provisions relating to compensation and allowances of personnel, authorized under section 503(b)(3)* differ from those authorized by the Act for International Development, the Director may make use of arrangements authorized under either statute...."

* 503(b)(3) carried forward the authorization of the Economic Cooperation Act of 1948 appointment and compensation provisions.

In view of the work being undertaken by the White House Staff under Mr. Young, it seemed both logical and desirable to use Sec. 547 in adopting Sec. 110(a)(2) (P.L. 472, 80th Congress) as the basic appointment and compensation authority. This reduces current diversity in overseas personnel systems.

In addition, persons to be appointed under the Economic Cooperation Act of 1948 (P.L. 472) provision will henceforth be entitled to certain reemployment rights back to other Federal agencies not available to FOA employees appointed under other authorities. With a reduction in numbers of employees working on the FOA program while on PA rolls, the reemployment rights provision (Sec. 110(a)(2) of P.L. 472) becomes important in recruitment of well qualified personnel from other Federal agencies. P.L. 535 contains no such provision.

The effect of

The effect of this action is to continue current basic appointment and compensation practices of Europe, Greece, Turkey, China, Indochina, the Philippines, and Thailand. The appointment and compensation practices of remaining countries will be made to conform.

. Effect of Appointment and Compensation Authorities as Newly Applied to Employees

A. FOA employees having appointments at Point IV-1 and -2, or TCA-1 and -2 in countries where there are differentials will not be affected at this time. In connection with consideration of the FY 1955 legislation, we are requesting, at the recommendation of the General Accounting Office, Congressional clarification of our current practice of paying differentials at salary levels equivalent to FSR-1, -2, -3, and -4. Conversion will be effected without loss of rights or salary, during the summer - and depending on Congressional action.- differentials as well.

B. FOA employees having appointments at Point IV-3 and below, or TCA-3 and below, in countries where there are differentials, will be converted to Foreign Service Staff classes without loss of rights, salary or differential, before the end of this fiscal year. The FSS classes to be used are 1 through 14.

C. FOA employees having appointments at any of the Point IV or TCA classes in non-differential posts will be converted to Foreign Service Reserve and Staff classes without loss of rights or salary, before the end of this fiscal year. The FSR classes to be used are 1 and 2; FSS to be used are 1 through 14.

D. Overseas Employees of Participating agencies (exclusive of "Special Project" personnel) will, for the most part, be converted from Point IV classes to FSR and FSS classes at the time of transfer to FOA, and under the same general considerations as in A., B., and C. immediately above. During current negotiations with the participating agencies, these questions are being considered. In principle [redacted] overseas PA personnel of Department of Agriculture, Office of Education, Social Security Administration will transfer to FOA. Commissioned personnel of the Public Health Service will not transfer, although non-commissioned personnel of PHS will. Negotiations with Departments of Interior (basic agreement now signed), Commerce, and Labor and the Housing and Home Finance Agency have not proceeded to the point where a definitive statement can be made. (This subject will be dealt with more fully in a circular airgram currently being prepared.)

E. All positions for which FOA/W is recruiting (except posts currently allocated at Point IV-1 and -2, TCA-1 and -2, in differential countries), are being classified as FSR and FSS, and all new appointments will be at FSR and FSS classes.

. Classification Implications

As an interim measure, employees are being converted, [redacted] without a position classification review, to FSR and FSS classes and salaries as closely as possible equivalent to but in every case not less than the Point IV or TCA salaries which they are now receiving.

At an undetermined

At an undetermined future date classification surveys will be undertaken to ensure uniform and fair treatment of all FOA employees on a world-wide basis.

Requests for: new positions, replacements for old positions, and proposed in-service actions such as reassignments and reclassifications, should be submitted on AIRPARs (form FOA-6) in sufficient detail to permit an adequate review of each position thereby ensuring appropriate classification action by FOA/W, unless detailed information has previously been sent to Washington (cite references).

Grade promotions will be based only upon this process; adverse classification decisions will, as in the past, be held in abeyance during incumbency of the affected employee unless he is being reassigned to a new position at lower grade.

7. Conclusion

This airgram is an experiment in keeping missions better informed about what is being done in FOA/W along personnel lines affecting mission staff. Depending on mission response, circular airgrams of this nature will become a continuing part of the FOA personnel program.

STASSEN

CABLE ROOM: Send to: as USFOTO CIRC A-49

4 BELGRADE
10 BONN
6 BRUSSELS
4 COPENHAGEN
5 LISBON
12 LONDON
7 MADRID
3 OSLO
15 PARIS MSN
10 ROME
6 THE HAGUE
9 VIENNA

3 BANGKOK
4 DJAKARTA
10 MANILA

4 SAIGON
6 TAIPEI

10 ASUNCION
5 BOGOTA
4 CARACAS
3 CIUDAD TRUJILLO
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3 HAVANA
3 LA PAZ
5 LIMA
4 MANAGUA
5 MEXICO CITY
3 MONTEVIDEO
10 PANAMA CITY
5 PORT AU PRINCE
3 QUITO
5 RIO DE JANEIRO
4 SAN JOSE
3 SAN SALVADOR
5 SANTIAGO
3 TEGUCIGALPA

3 ADDIS ABABA
4 AMMAN
6 ANKARA
3 ASMARA
10 ATHENS
5 BAGHDAD
6 BEIRUT
8 CAIRO

3 JIDDA
3 KABUL
5 KARACHI
3 KATMANDU
3 MONROVIA
4 NEW DELHI
10 TEHRAN
5 TEL AVIV
5 TRIPOLI

10 PARIS TOECO A82
4 RANGOON USFOTO A-132

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 20, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I have noted that new employees arriving from Washington come from Beirut on Air Liban instead of on Saudi Arabian Airlines. Air Liban is a subsidiary of Air France, whereas Saudi Airlines is owned by the Saudi Government but maintained and operated by TWA.

It may be that FOA/W Transportation Division does not have schedules of SAA but are able to get Air Liban schedules from the Air France office in Washington.

It would seem to me that wherever possible and convenient our personnel should travel on SAA in preference to airlines of other nationalities. I might say that the flight record of SAA is excellent.

For information of FOA/W Transportation Division, SAA planes leave Beirut for Jidda via Damascus Tuesday and Thursday mornings. SAA planes from Cairo to Jidda direct or via Medina leave Tuesday, Thursday and Sunday mornings. The Tuesday flight from Beirut is by DC-3, whereas the Thursday flight is by DC-4. The Thursday and Sunday flights from Cairo are by DC-3, whereas the Tuesday flight is by DC-4.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Copy to - Mr. William A. Blankenship, Technical Manager
Saudi Arabian Airlines, Jidda

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 19, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

The accompanying article on "Grazing Administration" may interest you. It seems that the Arabs practiced grazing control twelve hundred years ago, much as it is taught by our technicians today. The Arab author is understood to have been a Hejazi of Saudi Arabia.

Mr. H. E. Schwan of our Agriculture Division is responsible for bringing the article to light. I am sending copies to the other interested countries in this Region.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl. -
As above

WBHazleton:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 19, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

This will acknowledge receipt of a copy of Norman Paul's memorandum to all desk officers dated March 31, 1954, regarding application of 50-50 shipping provision to special economic assistance.

We have taken note of Morris Wolf's memorandum transcribed therein and of course will be guided accordingly, although we do not foresee any cases where other than U.S. flag vessels would be used for transporting supplies and equipment for our programs in Saudi Arabia.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

For attachments see Copy 1 in MiBaker folder

(2)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 19, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I am attaching hereto in duplicate an audit made by our Controller, John Bode, of the books of MiBaker, Incorporated/Jidda, as pertains to expenditures effected by MiBaker, Incorporated during the first three months of this year under our contract with that firm.

You will note that total expenditures, including service fee, amount to $34,419.18, whereas the maximum reimbursable amount (including the above-mentioned fee) allowable under that contract was $54,000. We are now making final payment to MiBaker, Incorporated, thereby closing out all obligations under that contract.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl -
Audit, as above

HJCorson:o

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

April 18, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Div.
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I am enclosing Form FOA-583 in quadruplicate to cover the approved training grant for Mr. Daghastany. We will try to keep these forms current with approvals; however, it will be some time before we can complete forms to cover prior approvals.

Sincerely,

HJC

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl - Form FOA-583 in
quadruplicate

HJCorson
RDDolley/djh

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 12, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

As of writing date the Public Administration Division is satisfactorily established considering the recency of its reactivation. Quarters and office arrangements were completed upon arrival of Smith. We hope that John Bode's transfer from Administration to the P/A Division will be authorized by FOA/W soon. We are expecting Mary Parrish next Saturday and Farrell shortly thereafter. It is to be hoped that the departure of Linden will not be long delayed as it is presently timely for his arrival.

Although primary SAG introductions for Smith cannot be made until the end of the Council of Ministers session at Riyadh, a number of useful contacts have been made around the periphery of the area with which he will be concerned. In particular, effort has been directed toward opening avenues of acquaintance for him with business men, bankers, Chamber of Commerce, etc., in the interest of Import-Export information and orientation with regard to business climate problems. Such meetings with key people have served to informally publish the purposes of the P/A Division as a whole.

We have been informed that, following the meeting of the Council of Ministers, Smith's assistance may be requested in connection with the following projects:

Establishment of the new Ministry of Commerce;
Organization problems of Ministry of Interior, and
Records Management problems of Ministry of Communications.

Although nothing authoritative has been received on such projects, the various sources from which they were derived are sufficiently dependable to suggest a reasonable probability that they will be forthcoming. Accordingly, it would be appreciated if the Washington Office would assist us with certain material.

Various individuals who will be involved in formation of the new Ministry of Commerce have expressed interest in the organization and operation of the U.S. Department of Commerce. They realize that their requirements may have little in common with that of the U.S. Department, but the interest expressed justifies an effort on our part to provide the information. Accordingly, we would appreciate data such as a copy of the organization chart of the Department. If available, a copy of the original enabling legislation would be pertinent historically. Organization charts and related explanatory information upon such activities as the Field Service, CAA, Bureau of Standards, and Bureau of Census as would serve to present a picture of their objectives and work would also be useful to us. Material explaining the United States Chamber of Commerce in terms of origin, present organization and activity would be of particular interest to a few of our recent contacts.

It appears that the P/A Division may be required to prepare perhaps a multitude of job description statements for various Ministries. A set of classification standards or related data undoubtedly will prove of great help to us.

We wish to express our appreciation for the effective job done by FOA/W in staffing this Division.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

LHS:th:o

TELEGRAM

Foreign Service of the United States of America

OUTGOING

UNCLASSIFIED
Classification

PRIORITY

CHARGE:

Control: TOUSPO #397

TO: FOA/W

DATE: April 11, 1954

For Taggart

Should SEA project agreements be sent FOA/W for approval prior signing here whether or not SEA overall agreement obtained?

CORSON

HJCorson:o

UNCLASSIFIED
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

UNITED STATES OF AMERICA

~~TECHNICAL COOPERATION ADMINISTRATION~~

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 6, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I am attaching hereto a translation of the King's speech at the inaugural ceremony of the meeting of the Council of Ministers which started March 6th. I am sure that you will find the King's comments of interest.

I particularly call your attention to that part which deals with budgets, from which you will note that the over-all budget will be divided into three sections: (1) Operating expenses of the government offices;
(2) Development and construction projects; and
(3) Reserves and contingencies.
The second section, of course, is the one of greatest interest to us. I will spare no efforts to try to get a copy of this part of the SAG FY-54 budget.

You will note that the King plainly acknowledges the necessity for the Saudi Government to take the necessary steps to improve the welfare of the people and he singles out public health, construction projects, education, agriculture and communications. Speaking of communications, you will note in paragraph 8 that the King states the study for establishing a railway from Riyadh to Mecca has been completed, but does not give us any credit for our substantial contribution to this job. You will also note in the first paragraph of the last page that the King makes reference to a five-year development program, embodying projects for construction, improvements and buildings.

I shall attempt to give you later on as complete a report as possible on the "doings" of the first meeting of the Council of Ministers under King Saud.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl -
Translation King's
Speech

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

April 4, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Under date of February 8 I sent you an executed copy in both English and Arabic of our Maternal and Child Health Center project agreement.

Due to the fact that the Ministry of Health did not have funds in its 1953 budget to cover the rent of a suitable building for this Center, we agreed with them that we would advance, for this time only, the sum of 14,000 Saudi Riyals to cover one year's rental cost of the selected building, provided the Ministry agreed to deduct the dollar equivalent of this advance from the $7500 that we agreed to contribute to this project. In return for this advance the Ministry agreed to provide supplies and equipment, of equal amount and quality as that which could be purchased by us under our agreement with that Ministry. Consequently, on February 27th we executed such an amendment agreement so that the Ministry could proceed with the selection, subject to our approval, of a suitable building for this Center. The building has been selected and accepted by us, modifications have been completed and just a few days ago the lease was executed and the keys turned over to the Ministry. Therefore, we are now paying the lessor 14,000 Saudi Riyals under this amendment agreement and the building is being readied for initiating the activities of the Center within the next few weeks. I might mention that some of the items listed in the attached amendment agreement have already been delivered to the Center.

We attach executed copies in both English and Arabic of the amendment agreement in question for your records, now that the transaction has been completed.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encls. - 2
As above

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

April 6, 1954

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

We have run into a few complications in connection with the leadership grant for Abdulla Aziz Ben Muammar. As you probably recall, we wrote you concerning this case when application was made for the grant, setting forth the conditions and reasons surrounding the purpose that we had in mind at the time. We did not submit a regular application form because it had been our previous experience to request leadership grants by letter and cabled message. You were very helpful and cooperative in trying to secure clearance for Muammar without further formalities and we did everything that we could do on this end to try to get the candidate off before the February 15 date. Notwithstanding every effort that we made to finalize Muammar's departure with the assistance of the Minister himself, events seemed to stand in the way of the accomplishment of our objective. As you probably realize, the Ministry of Communications is a new governmental agency and they have been in somewhat of a turmoil in establishing their organization. Muammar, who is a very outstanding man, decided just about the time we were ready to get him off to the States that he did not want to stay with the Ministry of Communications and resigned his position for the purpose of devoting his full attention to a utilities firm in which he is an officer.

After much consideration and conferences with the Prince, it was determined that the man in charge of railroad affairs in the Ministry would be the logical person to send in the place of Muammar. This gentleman, whose name is Abdullah Othman Al Kasabi, is a university graduate who speaks English fluently. Although not as forceful a personality as Abdulla Aziz Muammar, he has a sense of balance and foresight that exceeds that of Muammar and which promises to make him a very successful person to work between the American officials presently operating the railroad and the Ministry of Communications which has charge of the railroad. Since it appears that leadership grants are to be requested on regular grantee application forms, we have prepared his application in conformity with this understanding and are sending it to you along with this letter.

We have tried to fill out the Form FOA 583 now required along with these applications to the best of our ability; however, there is a strong possibility that we have not completed this form in the manner that is completely correct, since it is the first one that we have attempted to use. Incidentally, as we have stated before, we do not look on this form favorably and feel that it is more or less an inadequate substitution for documentation which we formerly submitted along with our training applications. With the shortage of secretarial

assistance at our post, the filling out of this form imposes another clerical detail on the Mission that, under the circumstances, proves to be a serious handicap.

We would like for Mr. Al Kasabi to have the same kind of leadership grant that has been approved for Abdulla Aziz and we join with the Minister in recommending him for this training opportunity. We feel that he will profit to the greatest degree from the experience and are quite sure that it will ultimately prove to the mutual benefit of both of our countries upon his return to Saudi Arabia. We, of course, would like to have him approved for departure at the earliest possible moment but are also conscious of the fact that security regulations may prevent the approval of our request for several months - but if there is any way possible to expedite approval and clearance in this particular case, we shall appreciate anything that might be done because we would like for him to have the training at the earliest possible moment as we feel that he will be a key figure in our cooperative effort with the Ministry of Communications upon his return.

Yours very sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Attachment

HJCorson
RDDolley/pa

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 4, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Yesterday afternoon I received USFOTO 320 informing us that employment of Mrs. Patricia Anderson cannot be extended since the Medical Director of the State Department has advised against continued employment in the best interests of Mrs. Anderson; that you are writing us in this connection, and that you are also airmailing us covering journal authorizing her employment through April 2.

Needless to say, this information was quite a blow to me and also to the Mission. Mrs. Anderson is a most competent secretary and her loss will be greatly felt. We are now back to our old status of only one secretary for the entire Mission. Will it be possible for you to check on the status of Mrs. Everett and let me know when we can expect to receive authorization for her employment here. Your cable advice as to when Beulah Confers and Mary Parrish might be arriving here will also be very much appreciated.

I informed Mrs. Anderson yesterday to the effect that I had received a cable from FOA/W stating that they are writing us about her employment but that in the meantime I could not accept the responsibility for her continuing to work here as I did not wish to be held responsible for unauthorized payment of salary. I did not say anything to her about the advice of the Medical Director of the State Department, as such information would only create considerable worry for Mrs. Anderson and I thought it best to say nothing about this part of USFOTO 320, but instead - wait until the announced letter arrives, when I will be in a position to give her more specific information.

Would it be possible to use Mrs. Anderson's services on an hourly basis during rush days provided she can and wishes to work on such basis?

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

April 26, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

You certainly must have wondered why you have not received a reply to your letter of March 18th in which you did some very constructive "thinking out loud" regarding our FY-54 TA and SEA programs/projects. Your letter under reply - believe it or not - arrived here just today, together with another confidential letter from you dated April 12th, both on the subject of encumbering funds prior to June 30, 1954. I cannot understand why we encounter such prolonged delays quite frequently in receiving mail from Washington.

Paul, I really appreciate your constructive thoughts and also your concern over our situation here, with practically no projects signed and with only two more months of FY-54 remaining during which time all agreements must be executed and funds obligated. As I have informed you by cable, all project agreements which are in the hands of the Council of Ministers have been changed to the obligating type - most of them Cooperative Service. Of course I did not like to do this as it is so apparent that the execution of a number of agreements all of the obligating type at such a late date in the fiscal year creates an impression that such agreements have been made that type for the sole purpose of obligating the funds. In reality, this is the case with some of our projects, but I felt we had no alternative in view of the 5½ months' delay we underwent awaiting budget approval and allotment of funds from Washington, and now a 4-month delay on the part of the Saudi Government for the same purpose. Of course, with all our agreements of the obligating type and provided they are all signed before the end of June, we will have adequate time to do the work required under those agreements handled the way it should be done.

I quite agree with your thinking in that our activities in this country are really of the TA nature rather than the SEA, and it would have been better to have had a combined budget. Please never feel apologetic for any

additional work which you might create for the Mission here as a result of ideas which you have and which in your opinion would be in our best interests. I know that you know our working conditions here and would not ask for anything extra or which would involve additional work unless you felt it advisable to do so, and your feeling that way is enough for me. With free and open exchange of thinking, things can be done much better, and more can be done well.

I note that you have asked Pierce to work with the Program Office in getting our latest revised 1955 figures; i.e. - roughly $2.6 million for TA and $2.4 million for SEA - into the FY-55 presentation to Congress. I shall be very happy if you are able to do this because I sincerely feel these are the funds required to do the job that can be done here.

I note from your letter under reply that there are only four or five additional employees in the pipeline. I presume these are Linden, Leonard, Moeller, Bremseth and Beulah Confers. I hope that these new recruitments can be completed and on duty here prior to the Hadj period - say, the middle of July to early September. I strongly recommend that no employee for this Mission be sent here where they will have to travel from either Beirut or Cairo to Jidda during that period. It would be preferable to hold them in the States and give them additional training there. Furthermore, very little field activity can be carried out during July and August.

Regarding your suggestion of our sending you specifications covering work to be contracted, while this work can be done and I shall be glad to do it, nevertheless, now that we will not be under such terrific time pressure (by having all our agreements of the obligating type), I am wondering as to the following:

1) Is it good politics to go ahead with dealings with U.S. contracting or engineering firms so they may be prepared to give us a firm proposal for work to be performed under a SAG/USAOM agreement to be executed, without having first discussed such phases with SAG? It seems to me that could be well considered by SAG as being rather presumptuous on our part. In other words, they could well feel that they have just as much right, if not more, in determining specifications and also firms from whom bids will be solicited.

2) If I were the head of an engineering company, I would hesitate to prepare bids on specifications which may be not only incomplete, but which almost certainly would be subject to change. If you still feel that I should send you the specifications which we will have prepared for such projects as we are in a position to do so, and bearing in mind that with obligating agreements we will not be under the same time pressure as might otherwise be the case, please let me know and I shall be glad to follow your wishes.

I might mention, too, that in no case do we plan to buy heavy equipment. This applies particularly to the roads project, Abha Dam and Gizan Port equipment. I have made it very clear to all Ministers of SAG from the outset that it is not our policy to contribute heavy equipment, construct any buildings, or get mixed up in land tenure, utilities, water rights, etc. Where construction work is to be contracted, it will be up to the contractor to furnish his own equipment. He will also furnish his own supplies, either to be acquired locally or from the States. In other words, the job should be that of a "turnkey" type.

You mentioned in a previous letter that we might wish to contact Mr. Crooks, Regional Port Officer of FOA stationed in Beirut, for assistance on the Gizan Harbor project. I shall appreciate your letting me have what information you can regarding Mr. Crooks, particularly as to his recent background and in the light of drawing up plans and specifications preparatory to calling for bids covering the construction work.

From information I have gathered regarding Mr. Crooks, he is more qualified on port maintenance and operation rather than on port survey and construction work. It would seem to me that for the Abha Dam project, for the Gizan Port project, and possibly for the roads project, our interest would be best served by the use of a competent engineer furnished from the States on a detail basis to do the necessary survey work and prepare detailed specifications in such form as would permit contractors to submit bids without having to request additional information. We plan to discuss this point with SAG after these SEA project agreements have been executed and will write you further in this connection at a later date.

With respect to assistance which we might get from Mr. Kelcey or his Chief Engineer, Mr. McDonald, I think you should know that I wired Henry Wiens upon receipt of your letter suggesting this firm, requesting him to ask either Mr. Kelcey or Mr. McDonald if they would be interested in coming down here to discuss with us several construction projects which we had proposed to SAG. The reply was to the effect that Kelcey's firm was not interested in doing business in Saudi Arabia. Consequently, I wired back stating that if he was not interested in doing business in Saudi Arabia, there would be no purpose in either he or Mr. McDonald coming to Jidda. I did not think Mr. Kelcey's attitude was very commendable and was certainly quite in contrast with the attitude which has been shown right along by International Engineers through Mr. Charles Buck.

The water development program (an SEA project) according to our proposal to the Ministry of Agriculture, will cost about $6,700,000 and will cover a 2-year period. Of that amount we will obligate up to $2,000,000 and the Saudis up to $4,700,000. This program will involve several contracts -- one involving aerial survey work including mapping service, one involving ground geology, and one involving drilling. In all probability these phases of activity under this program will be handled by American contractors, but of course we will have to consider the wishes of SAG in this connection.

The aerial magnetic survey project will also involve a contract with an aerial photography company such as Aero Service Corporation, but here again the wishes of SAG will have to be considered. The Minister of Finance is expected back from Karachi either tomorrow or the day after and I shall try to arrange to have Glen Brown contact him as soon as possible to discuss details and plans for such survey so that we can send you specifications with a request that you obtain a firm bid for such work.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

Dictated at hospital 4-26-54.
Sent in pouch 4-27 without being
read by Mr. Corson.

Transport

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

March 18, 1954

CONFIDENTIAL

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

I hardly know how to construct this letter, but I suspect the best thing to do is to do a little thinking out loud and send it on to you.

First, I am extremely sorry to have caused you all of the work involved in the preparation of various budget presentations. My thinking was, and still is, that the principal need in Saudi is technical assistance. During the early stages in the program we never could get anyone to go along with more than $1 million - $1.5 million. We were able to break that log jam just about a year ago. This break resulted in not an increase of TA, but resulted eventually in the $3.35 million SEA. As the principal need is TA, I suggested to you that you prepare a budget combining the two figures. There is considerable opposition, a part of which I am sure is justified. In the first place it is probably impossible for Saudi Arabia to fully absorb a straight technical assistance program of the magnitude of roughly 5 million. It is my opinion as well that the Saudis are not going to be satisfied with anything less than 5 million. They may not even be satisfied with this. For strategic purposes, it is deemed desirable in the presentation on the Hill that we separate special economic aid from the technical assistance programs and spell out exactly what each are to do. It is this which motivated the telegram to you indicating that TA could be increased to whatever extent was feasible, but such increase in order to stay within the 5 million figure required the reduction of SEA an equivalent amount.

We have received your TA proposal for $2,609,407; also your telegram providing the breakdown of SEA for roughly $2.4. I am asking Pierce to work with the Program Office in getting these revised figures into the FY 55 presentation. Again I offer my apologies for creating the unnecessary work.

I am extremely concerned with what we are going to expend from not only the TA but also SEA program before June 30. As late in the year as it is we are going to be hard put to get very much of it expended. I recognize the difficulty you have had in getting agreements from SAG.

There are, however, a number of things which I think could be done in anticipation of eventually getting the agreements. Past experience indicates that we are not going to get much if any more of the funds on either program encumbered by direct recruitment. There are only four or five people in the pipeline, and to expect many more to get cleared and on the payroll by June 30 would require a high degree of optimism. With reference to procurement I am also doubtful that there is much opportunity to encumber any sizable amount of funds. Our experience in the past has been that the procurement office always has a terrific backlog and that any requisition received after April 15 has relatively little possibility of being processed, bids obtained, and a purchase order issued prior to June 30. As you know, obligations are not effected until purchase orders are actually issued. There remains then, only one avenue as I see it for actually encumbering funds - that is through contracts. It takes some time to negotiate a contract even after all the specifications therefore are known. With this in mind we ought to have at the earliest moment the specifications for the various contracts which will of necessity have to be written for the Saudi Arabian program if the program is to be implemented. It would seem to me that all four of the special economic aid projects and some of the technical assistance program activities could be handled by contract. I would also suggest that due to the lateness in the fiscal year and the possibility of continued delay on the part of the Saudis, that if you have not already done so, immediate steps be taken to prepare these specifications and any necessary background and forward these data to us here in Washington as rapidly as each project is completed. This will give us information which will enable an examination to ascertain if additional data is needed prior to actual negotiations, it will enable us to look around and select contractors, and to take care of many other details which can save a lot of of time if and when agreements are signed by the Saudis.

The minimum information as will be required will be the personnel and their qualifications and complete enough specifications on supplies and equipment that this information can be incorporated in the contract to be negotiated. The latter may be simplified to some extent by stating road machinery and equipment, not to exceed blank dollars and a listing of x number of tractors, x number of carry-all scrapers, x number of cement mixers, and so forth and so on. The overall dollar figure will govern and once the contract is signed, exact specifications can be provided to the contractor, or he himself, once on the ground and working with you, arrive at decisions which will dictate exact equipment to be purchased. It is our opinion that the following should be prepared:

1. Jizan Harbor. I may be wrong, but from here it looks as if this contract ought to be $100,000 to include the necessary technicians to supervise and carry on this work and such equipment and supplies as can be purchased for the balance. These equipment and supplies should be spelled out at least in broad categories . As indicated to you in a previous communication, if you do not have the technical competence on your staff to

prepare this information, FOA/W would honor your request for the services of Mr. Crooks, the regional port officer stationed in Beirut.

2. Abha Dam. The same general statements can be made with reference to this project except that if you do not have the technical competence on your staff to develop this information, we do not know at the moment where to find someone in the Middle East who could be made immediately available to you. However, if you need this service, please telegraph your request immediately and we'll attempt to locate someone who can spend the required time to develop the basic information.

3. Abha-Taif Road. Irrespective of whether this road is to be located from Abha to Taif or some other location, or whether it is to be demonstrations of various kinds as indicated by some of the statements appearing in recent communications from your office, I suggest the following procedure: I suggest by all means that you give a great deal of consideration to a contract for a team similar to that described in our letter of March 2. As indicated in this letter, either Mr. Kelcey or his Chief Engineer, Mr. McDonald, can be made available to discuss with you the details of such a contract. I would suggest in this discussion, that in addition to the 5 basic engineers, that you consider some technicians of lesser capacity than the 5 mentioned above to augment the staff by additional 6 or 7 technicians who could work directly with the Saudi Arabian technicians in training them in the various fields, such as instrumentmen, rodmen, chainmen, and draftsmen, and construction foremen; and the various other skills which is obvious must be developed from the ground up in Saudi Arabia. These latter skills are considerably less costly than are the 5 basic engineers, and yet would be capable of carrying on the training program required if the Saudis are to implement programs developed by and with the assistance of the 5 basic engineers.

The total team then might be somewhere between 12-15 personnel. It might cost somewhat more than the quarter million dollars referred to in my letter of March 2. While either Mr. Kelcey or Mr. McDonald are in Jidda a sufficient appraisal should be made of the equipment and supplies which should be purchased to enable the 12-15 technicians to effectively carry on their operations including the training of the Saudis. If we can get the Saudis to go along with this type of operation, I am sure they will be extremely pleased with it. Irrespective of whether they do at the moment we still would like specifications forwarded in to us so that if and when you can sell them on such a program, we are in a position to immediately negotiate a contract.

4. Water Development Program. This project calls for the expenditure of $2 million, and that my friend, is a whale of an undertaking to get contracted prior to June 30. Certainly Glenn Brown should know by this time

exactly what this 2 million dollars should cover. If he does not know exactly, then certainly he ought to have a pretty good idea of the major items it should cover irrespective of the contribution to be made by the Saudi Government, and the specifications for personnel, supplies, and equipment, and so forth ought to be forwarded to us with his recommendation as to the type of firm with which contracts should be entered into. I urge you to get this information in to us at the earliest possible moment.

5. Agricultural Vocational Education. Even though this program isn't scheduled to start until FY 1955, it is urged that you get the specifications in to us in order that we can contract for this service. We have already informally discussed this with Arizona University and Dean Eckert of that institution has indicated that if the project is limited to vocational education, he feels Arizona could handle the job in addition to their activities in Iraq. Such an approach has a great deal of merit in that it would cut down on supervisory costs, it would permit inter-change in specialized assistance if such seemed desirable and expedient, and it would provide for reasonable correlation of activities in that section of the Arab world. By starting to negotiate the contract right away, we can not hope to do much better than have it executed by June. By the time personnel were recruited, cleared, and briefed, we would just about be able to get them into the field by the first of September. This would seem an appropriate time to enable them to get oriented and squared around prior to the beginning of the school year.

6. Village Improvement. Until ur ltr 2/21 arrived I was unable to understand your reluctance in entering into a contract with the International Development Service. Even with the receipt of this communication I am not sure you are considering all the possibilities a contract with IDS might hold. One of your principal arguments was that the program would have to start off with one or two people and that these would be augmented from time to time as the occasion arose. There is no reason that I know of that a contract drawn with IDS could not be so worded so as to permit the timing of personnel so that they would arrive at the appropriate time. An additional factor which would seem to me might be appropriately considered is the fact that direct recruitment is an exceedingly slow process and that to effectively serve the village improvement program, you have to use technicians that are engaged in other activities and that a contract with IDS could be used as a means of supplementing your presently inadequate staff. As indicated in other communications, there is only about 4 or 5 people in the pipeline. Contracts for village improvement, agricultural school, and for the special economic aid projects would seem to me to be a reasonable way of obtaining the technicians which have not otherwise been forthcoming. The contracts can be written with a certain amount of leeway and expansion prerogatives. With these contracts properly drawn, it might be possible to get technicians on the ground whereupon the airpars or activity authorizations to participating agencies could be withdrawn. What I am saying is let us use our imaginations in getting the Saudi Arabian

CONFIDENTIAL

program staffed up to the point that it can effectively carry on its operations, and if we can't do it one way, let's do it another. What I am saying further is if you will get your requests in for what needs to be done we will try and find ways and means to get contractors to do the job. The arguments might be advanced that we have not yet gotten project agreements with the Saudis. Please do not let that deter you. As you give us the basic data you can request us to enter into preliminary negotiations but not to sign the contract until you have gotten the project agreements executed. However, if we can carry on the basic negotiations and have everything ready to go, a wire will save weeks of time and may enable us yet to make a creditable showing in Saudi Arabia by June 30.

If there are other segments of the FY 54 regular program, which after you have digested the thinking set forth above you feel can be implemented by contract, don't hesitate to give us the data. I assure you we will give such requests maximum consideration, and where possible, carry on for you. The problem we have here, however, is that the responsibility is in the field and we are in no position to proceed without a request from you.

May we hear from you at your earliest convenience as to your reaction to the suggestions set forth above and in case any of these are acceptable the approximate time table as to when we might receive the elements essential to negotiating contracts which you feel are desirable.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

CONFIDENTIAL

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 30, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to your letter dated March 10; also to USFOTO A-93, both informing us that the differential for Jidda has been re-established at 25% effective as of the first pay period following March 13, 1954.

You can well imagine how pleased the personnel of this Mission was when they were notified of this change. Obviously it has helped their morale considerably.

All of us of this Mission wish to express our sincere appreciation for the assistance of your office and others in FOA for their efforts in helping to have the 25% differential restored.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

March 10, 1954

ans 3/30

HC

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

We were greatly pleased to receive today a copy of the State Department Telegram No. 259 of March 5 to the Embassy, Jidda, restoring the differential allowance to 25 percent effective on the first pay period following March 13, 1954. I am sure that this news will help morale among the staff.

For your information, this office and FOA Personnel made a strenuous protest through channels to State Department at the time the differential was cut to 20 percent. It now appears that sufficient information was submitted from Jidda to justify the 25 percent differential and it is our understanding that you worked closely with the Embassy in this submission.

We are well aware here of the difficulties under which you are working and feel that the full differential is more than justified.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations

Info: Cosgrove (2)

[redacted]

UNCLASSIFIED

1 1

FROM - Washington

Date Sent:
Mar 11, 1954

SUBJECT - Change in Differential

ADDRESS AND SERIAL NUMBER

JIDDA USFOTO A-22

Ditto announcement to the staff dated 3/7/54

Effective as of the beginning of the first pay period following March 13, 1954, differential for Jidda changed from 20% to 25%.

[redacted]

AUTHORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO	DATE
M. Weinger	M. Weinger/lhb	PERS - GLASS	2875	3/10/54

ann 3/30

action cy: Bode

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 28, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D.C.

Dear Paul:

I wish to thank you for the information which you gave me in your letter dated March 2 (received only a few days ago) regarding personnel recruitment. Believe me, I appreciate very much your efforts in helping us get our personnel situation straightened out with the least delay possible. As I have mentioned before, I fear that the pressure of work and long hours is going to "take its toll" on some of our personnel when the hot weather sets in unless relief is forthcoming before then. Many of our employees, particularly administrative and division chiefs, are working from 7:30 AM until 5:00 and 6:00 PM six days a week. I am sure you will appreciate that such a condition should not be allowed to continue.

I hope that by the time you receive this letter Joseph Farrell will have had administrative clearance and that he will be here within the next 30 or 45 days. We can make such good use of his services in assisting the Saudi Government in taking necessary actions designed to promote a favorable investment climate in Saudi Arabia for both domestic and foreign investors..

We have not heard anything as yet from Lawrence W. Smith, but have been meeting the planes arriving from both Cairo and Beirut since the 25th of this month. We note that his travel orders call for surface travel only, so it may be that he will arrive here by some steamer stopping at Jidda. We are checking this possibility now.

Mr. and Mrs. William C. George arrived here on March 20th and are getting settled prior to the arrival of his Chief, Mr. Smith. Of course, I hope that Mary Parrish (secretary) will not be delayed any longer than absolutely necessary in arriving at Jidda so that Mr. Smith's work will not be hampered due to lack of adequate secretarial assistance.

You mentioned in your letter that we now have Miss Oakes, Miss Haddock, Mrs. Moser, Mrs. Anderson and the part-time help of Mrs. Combs. I would like to take advantage of this opportunity to state that Mrs. Moser is not doing secretarial work, but instead is in charge of our File and Mailroom, being trained by Miss Haddock, who will be leaving for the States the latter part of April. Furthermore, Mrs. Combs is a typist only. Consequently, we have only Miss Oakes and Mrs. Anderson for secretarial work for the entire Mission. I am very pleased to inform you that Miss Oakes has agreed not to take home leave nor to request transfer to another post. She is of considerable assistance to me and her services are very much appreciated.

I am glad that Lawrence Smith had an opportunity of conferring with Ernest Linden (Customs Specialist) and that his impressions of Mr. Linden were very favorable. We have received several requests lately for the assistance of a Customs specialist. Consequently, I hope that Mr. Linden's arrival here will be in the immediate future.

It is a shame that so much trouble is being encountered getting Mr. Cameron Bremseth recruited, but I hope by the time this letter reaches you he will be not only "back on the rails," but will be"arriving at the station" from which he will leave for Jidda. Of course, his services are badly needed to assist in the Jidda Commercial School, which will soon be expanded to more or less double its present facilities.

I am sorry to note the difficulties which USPHS is having in locating a qualified replacement for Ferguson as Chief of the Public Health Division. I was in hopes that Dr. Robbins upon his return to Washington would have been able to locate such a replacement. As you know, we have quite extensive programs, both under TA and SEA, and until the Chief of our Public Health Division arrives here it will be up to me to act in that capacity, thereby straining my already overloaded daily schedule. I shall appreciate it, Paul, if you can bear down on USPHS regarding a replacement for Ferguson.

I am looking forward to receiving the promised status report on progress of recruitment for all positions for which we have provided AIRPARs. I hope that such report will be an encouraging one.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

PS - I have just received a post card from Lawrence Smith mailed March 21 from Naples. He stated that he was sailing that night for Alexandria and that arrangements were being made for him and his family to come from Cairo to Jidda by air. Consequently he should be arriving here any day now.

PPS - March 29th . . .

Mr. Smith has just arrived.

HC

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

March 2, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Dear Harland:

I refer to your letter of February 10th regarding personnel recruitment. I shall try in this letter to bring you up to date on some developments in this field.

First, permit me to point out that this office has no direct power of recruitment - all we can do is to needle Personnel. This we do each and every day and I believe we have had considerable success in expediting actions in the past month or two. However, when a case reaches the "administrative clearance" stage - the final step - there is very little that we can do but await the verdict.

In the case of Meistrell, all procedures were completed except the final "administrative clearance". This clearance has never yet been received for Meistrell and he has accepted a position with the New York State Legislature at Albany. When it first became apparent that there was a question regarding Meistrell, we initiated action on Joseph Farrell for the position of Investment Counsel. Farrell's case has now reached the "administrative clearance" stage and we have pointed out to Personnel the urgent need for his services in Jidda. They have promised to do all possible to expedite decision.

Lawrence W. Smith (Chief, Public Administration Division) and family departed Washington yesterday for New York. They sail March 3rd, with ETA Jidda about March 25th.

William C. George and wife will depart Washington on March 8th, with ETA Jidda about March 20th. George will fill the position of Statistician in the Public Administration Division.

We expect Mary Parrish (Secretary) to go on the payroll this week. She will have to go through the FOA orientation course but should be departing for Jidda the first week of April. As regards secretarial help, you now have Miss Oakes, Miss Haddock, Mrs. Moser and Mrs. Anderson, with the part-time help of Mrs. Carlotta Combs. With the arrival of

Miss Parrish the Mission will have the services of six secretaries.

The recruitment of Ernest Linden as Customs Specialist is well along. His security clearance is nearing completion, following which he will require administrative clearance. I will not attempt to estimate when he may EOD but we are hopeful this may be within the next several weeks. Lawrence Smith conferred with Linden in New York about two weeks ago and considers him a very capable officer.

With regard to Cameron Bremseth, I can only tell you that this case is apparently a classic example of mishaps in the Personnel Division. It was our original intention, of course, to recruit Bremseth through the Office of Education and action was initiated along these lines. In mid-December his file was transferred to FOA Personnel Division as a result of top-level decision that Office of Education would do no more recruitment for FOA. The Bremseth file was promptly lost by FOA Personnel Division. It has never been found and the entire file has had to be re-assembled. I am informed today by FOA Personnel that the case is once more "back on the rails" and action will be expedited. I will keep you informed but I will not attempt to say when he will EOD.

With regard to a replacement for Ferguson as Chief, Public Health Division, the news is discouraging. USPHS has no candidate for the position. We fully realize the importance of this position and have repeatedly urged USPHS to expedite recruitment. For your information, we have an unsubstantiated report that at least one possible qualified candidate from USPHS was "scared off" by a talk with Ferguson, who is now working in USPHS in Washington. We will keep after this but if I appear to be gloomy regarding the prospects of any early success, it is simply because I want you to have the facts of the matter.

Personnel Division has promised me a status report on progress of recruitment for all positions for which Airpars have been submitted from Jidda. I expect to receive this within the next two or three days and will then give you all available information on the other positions not covered in this letter.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

CONFIDENTIAL

March 29, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Referring to your letter of March 2nd, together with enclosures, with respect to the utilization of funds authorized under special economic aid, and the public works program now being carried out in Iraq:

We were very much interested in the plan adopted for Iraq for the construction of highways and the general improvement of their Bureau of Public Works under the supervision of Edwards, Kelcey & Buck. However, here in Saudi Arabia we feel that we have an entirely different situation to face. In the first place, at the present time there is no Department of Public Works for the country, and such work as is necessary along these lines is being done by the German construction firm, "Govenco", which took over the first of this year when Baker Construction Co. stepped out. Most of their work is small building, such as houses, warehouses, etc., for members of the Royal family and the Government, and a general maintenance program of such buildings, property, etc. Nothing along the lines of large general construction work has been done by either Baker or the present company. Last year, Baker Co. did lay down an asphalt covering on one of the main streets of Jidda, but its present condition in places is almost impassable.

Prince Talal, Minister of Communications, under whose jurisdiction a Department of Public Works would come, is most anxious to have such a Department set up.

Secondly, as you are quite aware, we do not have in this country the type of trainee which could readily be placed in a Bureau of Public Works due to the fact that most of the locals here are without a good basic educational background to carry out such an assignment. I would assume from reading your letter and enclosures that the trainees in Iraq did have such an educational background. The engineers now doing work in this country are from Egypt, Palestine, Lebanon, Syria, etc., and for the most part have engineering degrees from recognized schools in America, Europe and other parts of the world.

You may rest assured that if it is at all possible to help this Government, we want to do it, even to the extent of situations such as set forth in the

foregoing paragraphs. I would indeed be pleased to talk with either Mr. Kelcey or Mr. MacDonald for the purpose of finding out in what manner a similar program could be inaugurated here. In this connection, I shall cable Iraq inviting either one of these gentlemen to come to Jidda for this purpose, if they so desire.

Prince Talal seems to have in mind great plans for a highway system throughout Saudi Arabia. We feel, however, that the actual construction work on such a system should be carried out by the Government itself, rather than letting out contracts to various firms, and thereby save the Government a considerable amount of money. However, in order to carry out this plan they would need assistance from us in the way of a qualified highway engineer or engineers for the purpose of supervising, planning, etc. the work. It would be in this manner that possibly some of the Saudi nationals could be trained to a limited extent in this type of work, having in mind their present educational background. If a plan similar to Iraq could be adopted for this country under present conditions, it would, naturally, take care of their road building program, as well as any other public works which they might have in mind. Further, it would set up for them a real Department of Public Works for the entire country.

In connection with the railway survey for the old Hejaz Railroad, we were approached by Prince Talal to ascertain if we could be of assistance in the rehabilitation of this line. I told them that if it were at all possible we would be glad to help them. This railroad is sponsored by a committee representing the Moslem countries, and its present members are from Jordan, Syria and this country. It seems, according to rumors being passed around, that there is considerable pressure being brought forth to restore this line. The only possible way that we could be of assistance in this matter would be the railway survey, as we would not be interested in its construction cost or work. I feel that it is not too much out of line from an assistance program standpoint to do this work along the lines similar work will be done in laying out their highway system. Insofar as the Jidda-Riyadh railway survey is concerned, I have written to you concerning this matter as per my letter of March 10.

I shall keep you advised concerning these matters and give you the results of our discussion with either Mr. Kelcey or Mr. MacDonald.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson
EFSinclair/pa

Dear Harland:

It appears that we have only our file copy of the airgram from Baghdad referred to in this letter. Rather than hold up the letter while we procure an extra copy of the airgram I am sending the letter on to you and will forward copy of the airgram with my next letter to you.

P.J.J.

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

March 2, 1954

CONFIDENTIAL

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I refer to that portion of your letter of February 10 regarding utilization of the million dollars authorized under special economic aid for the Abha-Taif road project.

I have noted your mention of discussion with Norman Paul and others at the Istanbul Conference to the effect that these funds could best be used for "road planning and surveys". Further, that using this approach FOA would:

a. Do engineering on the roads of greatest interest to the Ministry of Communications;

b. Furnish the Ministry of Communications with equipment for a road materials testing laboratory;

c. Finance the cost of a survey of the abandoned Medina-Ma'an Railroad.

With reference to item (c) above I refer to my letter to you of February 24, regarding the criticism received by FOA in connection with the previous railway survey, Riyadh-Jidda, and the skepticism on the part of our technical experts in FOA Transportation Division as to the wisdom of FOA sponsoring any other surveys of this nature in Saudi Arabia.

In connection with the plan to do engineering on certain roads, as selected by the Ministry of Communications, we have had a good deal of experience with this type of work in the FOA program in Iraq. The GOI asked USOM/I for technical assistance in their PWD to assist them in the development of their Nationwide roadbuilding program. A leading firm of consulting engineers, Edwards, Kelcey & Beck of New York was awarded a contract to provide the technicians.

Edwards, Kelcey & Beck have done an excellent job in Iraq, working with the Bureau of Public Roads of the Iraq Government. I am enclosing a copy of the TCA contract with E. K. & B., together with its amendments, with the idea that it may be useful to you as a prototype. I am also enclosing a copy of an airgram, which is a report of USOM/I of the progress made in Iraq.

Mr. Guy Kelcey of Edwards, Kelcey & Beck is going out to Baghdad very shortly, departing New York on March 13. He will make an inspection of the work done by his firm in Iraq. I believe it would be very helpful to you if Mr. Kelcey could visit Jidda to discuss the roads program with you and your staff. Such a

visit would have to be at his own expense, justified by interest in bidding on possible contracts. However, I am informing him of the type of work which is contemplated in Saudi Arabia and will leave the matter open, subject to your judgment as to whether a visit by Kelcey would be useful and whether he would be able to make the trip. He will arrive Baghdad about March 13 and can be contacted through Mr. Henry Wiens, FOA Country Director. His work in Iraq will require approximately three weeks.

In talking with Mr. Kelcey he was not sure that time would permit a side trip to Jidda. However, he suggested that Mr. MacDonald, his Chief of Party in Iraq, was entirely familiar with the program and if it was agreeable with Mr. Wiens, Iraq Country Director, Mr. MacDonald might spend two or three days in Jidda working with you. Under any circumstances, if you feel such a visit would be helpful, Mr. Kelcey said either he or Mr. MacDonald, if a request were made by you to USOM/I, would come to Jidda for a few days.

Reviewing the contemplated plans for implementing the roads program in Saudi, I am struck by the fact that, as outlined, these plans would encumber roughly one quarter of the million dollars which has been allocated. I have been rather disturbed by this, in view of the time element involved, and would appreciate hearing from you further regarding your detailed plans for utilization of the balance.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations

Enclosures:
Copy of Contract
Copy of Airgram

cc: H.Wiens, Iraq

THIRD AMENDMENT TO AGREEMENT

BETWEEN

THE UNITED STATES OF AMERICA

AND

EDWARDS, KELCEY AND BECK

The Agreement No. SCC-14581, between the United States of America and Edwards, Kelcey and Beck dated October 8, 1952, as amended on January 5, 1953, and February 10, 1953, is further extended and amended, effective June 30, 1953, by the addition of the following new Article IX:

"ARTICLE IX

Subject to all of the terms and conditions contained in this Agreement, the Contractor shall maintain in Iraq until April 2, 1954, its party of not less than five competent engineers including a Chief Engineer, two Assistant Engineers, a Bridge Engineer, and a Director, Soils (Road) Laboratory. In addition to the compensation and payments authorized to be made to the Contractor in other Articles of this Agreement, in consideration of the Contractor's extension of the term of performance pursuant to this Article, TCA shall pay to the Contractor in U. S. dollars a fee of $62,700.00."

FOR EDWARDS, KELCEY AND BECK:

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

_____

_____

_____
(Date)

TCA/L:CJOlmstead:elw
6/26/53

Clearances: Glick, Taggart, Fryer, Howell

SCC-14581

SECOND AMENDMENT TO AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
EDWARDS, KELCEY AND BECK

The Amendment of January 5, 1953, to the Agreement between the United States of America and Edwards, Kelcey and Beck, signed on October 8, 1952, Contract No. SCC-14581, providing for the development of the roads system in Iraq is hereby amended as follows:

In item (2) of the Amendment, the word "two" is deleted and the word "three" is hereby added in lieu thereof, so as to read, in part, as follows:

"(2) The first three sentences of paragraph A of Article II are deleted and the following is hereby added in lieu thereof:".

FOR EDWARDS, KELCEY AND BECK:

/s/ Lawrence T. Beck

February 10, 1953

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

/s/ Jonathan B. Bingham

Technical Cooperation Administration

SCC-14581

AMENDMENT TO AGREEMENT
BETWEEN
THE UNITED STATES OF AMERICA
AND
EDWARDS, KELCEY AND BECK

The Agreement between the United States of America and Edwards, Kelcey and Beck, signed on October 8, 1952, Contract No. SCC-14581, providing for the development of the roads system in Iraq is hereby amended as follows:

(1) There is hereby added to Article I of the Agreement the following new paragraph:

"E. In addition to the Engineering Party described in paragraph C of this Article, the Contractor shall employ and dispatch to Iraq a Director, Soils (Road) Laboratory, who shall assemble the Soils Laboratory equipment to be procured by the Iraq Development Board, place such equipment in operation in Iraq, serve as a member of the Engineering Party, screen soils, test them to determine their actual content and "bearing" capacity, train nationals of Iraq in the use of the equipment and operation of the laboratory, and perform such other duties as the Chief of the Engineering Party may direct. The term of employment of the Laboratory Director shall extend for a period of one year from the date of his employment pursuant to this Amendment by the Contractor; except that TCA may extend the term of the Director's employment for an additional twelve month term by giving written notice of such extension to the Contractor 30 days prior to expiration of the initial term of employment of the Director."

(2) The first two sentences of paragraph A of Article II are deleted and the following is hereby added in lieu thereof:

"In consideration of the Contractor's undertakings under this Agreement, the TCA shall pay to the Contractor in U. S. dollars a fee of $159,500.00 for the initial twelve month term of the Agreement, and for the services referred to in paragraph E of amended Article I of this Agreement, and a fee of $159,500.00 for the second twelve month term, if the Agreement is extended as provided in Article VIII and in paragraph E of amended Article I. If this Agreement should not be extended as provided in Article VIII, the TCA shall pay to the Contractor the additional sum of $20,250.00 for the return of personnel, families and personal effects of the Engineering Party described in paragraph C of Article I and in paragraph E of amended Article I of this Agreement. The annual fee of $159,500.00 includes salaries, quarters and overseas allowances, transportation of all personnel and personal effects, and all other expenses of the Contractor under this Agreement with the exception of out-of-pocket expenses of personnel pursuant to their duties hereunder while in Iraq and expenses of replacement of personnel and families who, due to illness, force majeure, or act of God, are prevented from performing their duties hereunder."

(3) The next

(3) The next to the last sentence of paragraph A of Article II is deleted and the following is hereby added in lieu thereof:

"Payments of the annual fee to the Contractor under this Agreement shal be made by the TCA on the basis of properly certified vouchers submitted to it by the Contractor no oftener than monthly and accompanied by such supporting documen as the TCA may require."

FOR EDWARDS, KELCEY AND BECK:

/s/ Guy Kelcey

January 5, 1953
(Date)

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

/s/ Stanley Andrews
Administrator
Technical Cooperation Administratic

AGREEMENT
BETWEEN
UNITED STATES OF AMERICA
AND
EDWARDS, KELCEY AND BECK

MEMORANDUM OF AGREEMENT made this 8th day of October, 1952, between the Government of the United States of America represented by the Technical Cooperation Administration of the Department of State (hereinafter referred to as the "TCA") and Edwards, Kelcey and Beck (hereinafter referred to as the "Contractor"), a partnership with offices and principal place of business at 250 Park Avenue, New York, N. Y.

WHEREAS, the Government of the United States of America, acting through the TCA pursuant to the Act for International Development (22 U.S.C. 1557), is prepared, as part of its technical cooperation program with Iraq, under the provisions of the Point Four General Agreement for Technical Cooperation, the Public Works Program Agreement and the bilateral project agreement for development of the roads system, with the Government of Iraq, to cooperate with Iraq by providing technical assistance in the form of engineering advice and consultation in the development of a basic highway system in Iraq; and

WHEREAS, the TCA has determined that the Contractor is well qualified to furnish such advice and consultation on its behalf, and that utilization of the Contractor's services will result in the most effective utilization of public and private personnel and facilities in carrying out the purposes of the Act for International Development in this instance; and

WHEREAS, the Contractor has indicated its willingness to furnish such advice and consultation;

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I

A. On behalf of the TCA and for the Government of Iraq, the Contractor shall render advice and assistance to the Department of Public Works of the Government of Iraq, the Central Development Board, and other relevant agencies of the Government of Iraq in the latter's project of modernization and development of its basic system of roads. Among other things, the Contractor shall:

1. Execute reconnaissance surveys of the existing earth roads between Basra, Amara, Kut and Baghdad and the one between Baghdad and Kirkut;

2. Recommend locations of proposed new roads and advisable relocations of old ones;

3. Assist in preparation of plans and specifications, including quantities, qualities and types of construction materials necessary, for the construction and reconstruction of the roads in accordance with modern methods;

4. Provide the

4. Provide the Department of Public Works or other agencies of the ent of Iraq with educational, on the job training, consultatory, and y services as well as actual assistance in the development of a modern- ystem of roads;

and th

5. Furnish the Engineering Party, referred to in paragraph C of this le, with the research, advisory, and technical facilities of its head- be mers organization in the United States;

the

6. Furnish the United States Director of Technical Cooperation for Iraq (hereinafter referred to as the "Director") a copy of all reconnaissance surveys, recommendations and plans, and specifications for construction of roads, as well as periodic progress reports as shall be requested by the Director.

B. The Contractor shall perform the above services subject to the inspection and acceptance of the Director.

C. Within four weeks after this Agreement enters into force, the Contractor shall dispatch to Iraq, and shall maintain in Iraq during the term of this Agreement, a party of not less than four competent Engineers including a Chief Engineer, two Assistant Engineers, and a Bridge Engineer. Should dispatch of the Engineering Party be delayed beyond four weeks from entry into force of this Agreement, the term of this Agreement shall be extended by the period of such delay. The Contractor agrees to replace any member of the Engineering Party upon the request of the TCA or the Government of Iraq. This party shall be under the direct personal supervision of one of the partners who shall perform periodic inspections as necessary, not less than two, and make recommendations to the Chief Engineer concerning the execution of the services to the Iraqi Government. Upon return from each such inspection, the partner shall submit a report in quadruplicate to the TCA.

D. It is agreed that the Contractor may be called upon to perform duties other than those specifically set forth herein which may be reasonably within the scope and purpose of this Agreement.

ARTICLE II

A. In consideration of the Contractor's undertakings under this Agreement, the TCA shall pay to the Contractor in U. S. dollars a fee of $138,500 for the initial twelve month term of the Agreement and a fee of $138,500 for the second twelve month term if the Agreement is extended as provided in Article VIII. In addition, if this Agreement should not be extended as provided in Article VIII, the TCA shall pay to the Contractor $16,200 for return of personnel, families and personal effects. The annual fee of $138,500 includes salaries, quarters and overseas allowances, transportation of personnel and personal effects, and all other expenses of the Contractor under this Agreement with the exception of out-of-pocket expenses of personnel pursuant to their duties hereunder while in Iraq and expenses of replacement of personnel and families who, due to illness, force majeure, or act of God, are prevented from performing their duties hereunder. Reimbursement for the latter items of expense will be made by the TCA after receipt of properly certified vouchers

submitted no

submitted no oftener than monthly and such other supporting documentation as the TCA may require. In the event of recall of any member of the Engineering Party by the Contractor at the request of the TCA or the Government of Iraq, the expenses of the recall and replacement shall be paid by TCA if such recall is for causes beyond the control of the Contractor and which the Contractor could not reasonably have foreseen. The annual fee of $138,500 shall be paid to the Contractor in four equal installments. The first payment will be made as soon as practicable after the Engineering Party departs the United States for Iraq and the remaining three installments paid at three month intervals thereafter.

B. The Administrator of the TCA and the Comptroller General of the United States or any duly authorized representative of either, until the expiration of three years after final payment hereunder, shall have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor.

C. Within ninety days after conclusion of the initial twelve months term of this Agreement, and within ninety days after conclusion of the second twelve months term if this Agreement is so extended, the Contractor shall submit to the Administrator of the TCA a comprehensive report of its activities and operations hereunder.

ARTICLE III

TCA shall seek to arrange, under the bilateral project agreement between the Government of the United States of America and the Government of Iraq in regard to the roads project, for the furnishing to the Contractor by the Government of Iraq of the following:

1. Assistance in locating adequate housing for the Contractor's engineering party and members' families in Baghdad or elsewhere as the accomplishment of the project requires, should the party be unable to locate housing through its own resources;

2. Suitable office space for the engineering party;

3. Such assignments of personnel as are needed in order to carry out the undertakings of the Contractor;

4. Police protection when and if required by the Contractor in any area in Iraq;

5. Suitable transportation for the members of the Contractor's engineering party in carrying out their duties hereunder;

6. Access to, and prints of, any existing available serial photographs, maps, or other data and information relating to the highway and road system;

7. The same treatment with respect to taxes, customs and import duties, service charges, investment or deposit requirements and currency controls for personnel of the Contractor, other than Iraqi personnel, engaged in performing

services under

services under this Agreement and for funds, materials, and equipment introduced into Iraq by the Contractor and used in performing such services as is provided for personnel and funds, materials, and equipment of the Government of the United States under the terms of Article III section 2, and Article IV of the Point Four General Agreement for Technical Cooperation between the United States of America and Iraq signed at Baghdad on April 10, 1951.

8. The exemption of the Contractor from all Iraqi corporate and business taxes applied to it solely by reason of its activities under this Agreement.

ARTICLE IV

Except as otherwise provided in this Agreement, any dispute concerning a question of fact arising under this Agreement which is not disposed of by agreement shall be decided by the Director, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. Within 30 days from the date of receipt of such copy, the Contractor may appeal by mailing or otherwise furnishing to the Director a written appeal addressed to the Administrator of TCA, and the decision of the Administrator or his duly authorized representative for the hearing of such appeals shall be final and conclusive. If no such appeal is taken, within the time required, the decision of the Director shall be final and conclusive. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the Agreement and in accordance with the Director's decision.

ARTICLE V

In the performance of work under this Agreement, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, creed, color, or national origin; and further agrees to insert the foregoing provision in all sub-contracts hereunder except sub-contracts for standard commercial supplies or for raw materials.

ARTICLE VI

No member of, or delegate to, the Congress or Resident Commissioner shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this Agreement if made with a corporation for its general benefit.

ARTICLE VII

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the contract price or consideration the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE VIII

ARTICLE VIII

This Agreement shall enter into force on the date first set out herein, or the date that a bilateral project agreement for road and highway development is entered into between the Government of the United States and the Government of Iraq, whichever date is later, and shall remain in force for a period of twelve months thereafter, plus any extended period provided for in Article I, paragraph C, unless previously terminated as provided below. The TCA may extend this Agreement for an additional twelve month term by giving written notice of such extension to the Contractor 30 days prior to expiration of the initial term. The TCA shall notify the Contractor promptly of the execution of the bilateral project agreement with the Government of Iraq and of the terms thereof.

Termination of this Agreement shall be effective thirty days after one party's receipt of the other's notice of intention to terminate. In the event of termination at the option of either party, the Contractor shall be reimbursed for all expenses incurred and compensated for services rendered in pursuance of this Agreement to the date of termination. In the determination of the value of services rendered, the annual fee shall not necessarily be pro rated on a calendar year basis, but the fraction of the term in which the contract was operative may be considered in fixing the value of services actually rendered.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

FOR EDWARDS, KELCEY AND BECK:

/s/ Lawrence T. Beck
Lawrence T. Beck, Partner

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

/s/ Stanley Andrews
Administrator
Technical Cooperation Administration

(FOLD ON [redacted])

TO: NAME OR TITLE	ORGANIZATION	ROOM NO.	BLDG.	INITIALS	DATE
1.					
2. Mr. Corson, Country Director, USOM Saudi Arabia					
3.					
4.					
5.					

	APPROVAL		PREPARE REPLY
	COMMENT		SIGNATURE
	NECESSARY ACTION		SEE ME
	INVESTIGATE		AS REQUESTED
	NOTE AND RETURN		FOR YOUR INFORMATION
	INITIAL FOR CLEARANCE		PER CONVERSATION

REMARKS OR ADDITIONAL ROUTING

As promised in our letter of March 2.

FROM (Name or Organization)	ROOM NO.	DATE
Paul F. Taggart Mrs. Broadbelt	PHONE NO.	3/3/54

FOA-5 (9-53) ROUTER

GPO 864342

AIRGRAM

PRIORITY

CONFIDENTIAL

(Security Classification)

DO NOT TYPE IN THIS SPACE

FOREIGN SERVICE DESPATCH

FROM : US OPERATIONS MISSION, BAGHDAD

TOUSFO A-169

DESP. NO.

TO : ~~THE DEPARTMENT OF STATE~~ WASHINGTON.
FOREIGN OPERATIONS ADMINISTRATION,

January 28, 1954

DATE

REF : USFOTO 231; TOUSFO A-166.

4 For Dept. Use Only	ACTION ARAB	DEPT. INFO ACC CO EXSEC MRSR NEAA ONEA PERS SIND SLAF TRANS
	REC'D 2-9-54	OTHER CIA COMM INTR STATE

SUBJECT: The Purpose and Accomplishments of the USOM Highway Mission to Iraq

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This report is in reply to the personal letter of Mr. Paul Taggart of January 12, 1954, which discusses the situation with respect to the highway mission in Iraq. With the first recommendation (advising and training) USOM/Iraq is in complete accord and the following account will indicate the nature and scope of the advising and training of qualified Iraqi which has been done by the US highway team.

Upon the arrival of the highway team in early 1953 it was proposed by the Iraqi that the entire group take over the Basra to Amara highway, a distance of 165 kilometers, and that the US team make the survey, prepare plans and supervise construction, making this a model project to be followed later by the Iraq Government.

The US team felt, however, that it should not be restricted to any one project, but should work with the heads of the Iraq highway department on their over-all program as well as with their immediate problems of organization and operation.

The US team of 5 men could not possibly staff the engineering section of the Iraq Public Works Department, but if it took over one project and did the work, the accomplishments would be dissipated and not reflected in the broader activities of the PWD. The real objective in Iraq would be lost.

This view of participating in the over-all planning held and the team was moved into offices next door to the Director General of Public Works and the Chief Engineer of Highways. After gaining their confidence and friendship, the US team worked in close cooperation with the heads of the department and with their division engineers on their immediate problems and plans for the establishment of standard engineering practices in the highway department.

There had never been a drafting room for highway engineering design in the PWD, and major contracts for roads were let without anything but speedometer surveys and no working plans. After considerable ground work by the US mission a modern drafting room was set up by the PWD.

During the following months there were developed standard methods for the preparation of plans according to the most advanced methods of engineering practice. A small building was completely remodeled and equipped as a modern drafting room. The PWD purchased without restriction all necessary equipment and supplies for this installation.

Actual work was started in the drafting room on March 10, 1953, and an average of 25 Iraqi personnel have been permanently assigned to this department since that time. When location engineers completed a survey in the field, they brought their field notes to the central office, and along with their principal assistants, worked with men in the drafting room preparing working plans. In addition to the 25 permanent employees in the drafting room 37 additional men have worked there on various assignments for considerable periods, making a total of 62 Iraqi who have received training and instruction in a modern drafting room.

The following is a list of projects completed or being prepared in the drafting section of the PWD since its opening in March, 1953:

Description	Length of Project	Design and Drafting Per Cent Completed 1/20/54
Basra-Amara	165 kilometers	100%
Baghdad-Ramadi	106.6 "	100%
Hilla-Karbala	41 "	100%
Shanifia-Shanifia Junction	16 "	100%
Baquba-Mendeli	9.4 "	100%
Balad Ruz-Baquba-Mendeli	31 "	40%
Shaqlawa-Iran-Gelli	5 "	80%
Baghdad-Mahmudiya	5.6 "	100%
Baghdad-Salman Pak	13.5 "	100%
Baghdad-Baiji	18.5 "	80%
Nasiriya-Sule-al Shiokh	13 "	Plans just started
Qalet Sikar	21 "	" " "
Mosul-Baiji Relocation R.R. Underpass	1.5 "	40%

Description	Length of Project	Design and Drafting Per Cent Completed 1/20/54
Baquba-Shamiya	3.0 kilometers	100%
Tasa-Khurnatu Bridge	1.0 "	80%
Total	360.6 kilometers	

Training Field Personnel

Simultaneously with the training in the drafting room there was instruction given by the US highway team in the use of the transit, level, hand level, planimeter, calculating machines, slide rule and other instruments related to highway engineering.

Engineers in Iraq were unfamiliar with standard methods of highway location and in the field kept notes on loose sheets of paper instead of in standard notebooks which could be preserved. Highway location has been of particular concern to this mission and one member of the US team spends considerable time in the field training survey parties. At present there are six Iraqi engineers capable of making location surveys without supervision. They have become familiar with standard engineering practices and are doing good work in the field.

In addition to these 6 location engineers, the US team has 15 young Iraqi graduate engineers working on these survey parties in key position. They are learning to handle instruments, make notes and calculations.

This makes a total of 21 Iraqi engineering graduates who have been trained by the US highway mission, and who are now in the field gaining additional practical experience.

Since March, 1953, the following location surveys have been completed by the PWD under supervision and training by the US highway team:

Description	Length	Per Cent Complete
Baghdad-Ramadi	106.6 kilometers	100%
Basra-Amara	165.5 "	100%
Hilla-Karbala	41.0 "	100%
Shanifia to Shanifia Junction	16.0 "	100%
Baquba-Mendeli	9.4 "	100%
Baquba-Balad Rus	31.0 "	100%

Description	Length	Per Cent Complete
Shaqlawa-Iran-Gelli	5.0 kilometers	100%
Baghdad-Mahmudiya	5.6 "	100%
Baghdad-Salman Pak	13.5 "	100%
Baghdad-Baiji	18.5 "	100%
Nasiriya-Sule-al Shiokh	13.0 "	100%
Qalet-Nasiriya	21.0 "	100%
Mosul-Baiji Relocation R.R. Underpass	1.5 "	100%
Baquba-Shamiya	3.0 "	100%
Taza-Bridge Approach	1.0 "	100%
Total	511.6 kilometers	

Additional Activities of the US Team

The highway mission recommended to the Ministry the text of a law concerning speed, dimensions and weight of trucks and cars. The law has been passed and is now in effect.

The bridge engineer has worked closely with the engineers in the bridge department, both in the field and in the office. Good results have been secured so that a fairly large bridge program is under way.

Iraq never had a road laboratory. Shortly after the arrival of the US team, the PWD provided a laboratory and $9,600 worth of equipment, purchased by Iraq in the United States. Under the direction of the US engineer the laboratory has been placed in operation. Many laboratory equipment items still are lacking, but most of these have already been ordered by the Iraq PWD. Insofar as possible with available equipment, training has progressed satisfactorily along the following lines: general laboratory procedures, including not only testing, but necessary paper work, preparation of reports, etc.; soil survey sampling layouts, planning, and procedures; construction inspection, including embankment, sub-base, base, and various types of paving; significance and application of soil and base materials test values in complete pavement design; significance and application of test values and design factors in cement concrete and asphaltic concrete design; routine testing of all types. Soil surveys have been completed on the Baghdad-Hilla road, and extensive soil surveys are progressing rapidly on the Baghdad-Ramadi and Shamaiya roads. Other surveys are awaiting their turn. Investigation of base material and aggregate sources, with the cooperation of various Division Engineers is progressing

Ten Iraqi engineering graduates are permanently assigned to the laboratory where they are being trained by the US laboratory engineer.

Eight Iraqi engineering graduates are in the bridge department; there are 8 division engineers each of whom has an assistant engineer; and with 62 in the drafting room 21 on survey parties, 10 in the laboratory, and 2 in the general office who have been assigned to work directly with the US team, the total number of Iraqi engineers who have been trained and are continuing to receive instruction by the US highway mission is 119.

The only interruption (re Recommendation No. 7, the highway mission should revert to original assignment) in the work of this highly professional team occurred when on an absolutely temporary basis, Mr. Albert Love was loaned to the Ministry as Acting Chief Engineer; a time limit has been set when Mr. Love will return to the laboratory. The US highway mission is in a very good situation and will leave in Iraq an efficient and sound operating department.

USOM/Iraq does not intend nor has it been requested by the Ministry to recommend an American to be Chief Highway Engineer on a permanent basis. Possibly in informal discussions with members of the US team that suggestion has been made, but there has been no formal request for such aid. If such a request does come, since USOM is so intimately involved in the highway program, it would not comply with the request.

The point raised in Recommendation No. 5, to discuss the matter with those concerned, presents a difficulty. Internally the point has been discussed, but since the question has not been raised officially, USOM is not in a position to discuss it with the Iraqi. A new request, asking for 8 engineers who patently would fill slots in the PWD has come to USOM. The request will be turned down.

It is expected that the highway team will continue its excellent, high grade professional work, training and advising the PWD. Having trained 119 Iraqi in less than one year, having demonstrated standard engineering practices and having introduced modern organizational plans, indicate that the objectives of USOM in Iraq are being carried out by the US highway team with notable success.

Oliver H. Ritchie
Oliver H. Ritchie
Acting Director

(2)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 29, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

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At a meeting I had yesterday with Shaikh Abdul-Aziz Sulaiman, Acting Deputy Minister of Finance, I inquired as to the status of the fertilizer plant project in which the Saudi Arabian Government is interested. Shaikh Abdul-Aziz stated that since so many concerns had asked for additional information concerning specifications for this project, they had the situation rechecked by two engineering concerns, both of which came up with the same answer; that is, that the annual capacity of the plant should not exceed 200,000 tons per annum, instead of 400,000 tons as originally proposed, due to limitations of water and gas supply.

When I inquired as to what the Government's next step will be, Shaikh Abdul-Aziz replied to the effect that the Saudi Government will hold the matter in abeyance until such time as new and complete specifications can be written on the newly recommended maximum output basis. It would appear, therefore, that some months will pass before the Saudi Government will be in a position to issue a new Invitation for Bids.

I will check on this matter from time to time with Shaikh Abdul-Aziz and will inform you of any information of interest.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

March 1, 1954

CONFIDENTIAL

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Ara bia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I refer to your letter of February 14 regarding the proposed fertilizer plant project in Saudi Arabia, and in which you transcribe a memorandum which you have received from Garry Owen of ARAMCO.

I appreciate the information contained in the memorandum from Mr. Owen. We have had a number of inquiries from various business firms who have become interested in this project. Although we have tried to be helpful in assisting these business people to obtain as much information as possible regarding the matter, we can only refer them to the Department of Commerce or to the Saudi Arabian Embassy.

As mentioned in my letter to you of January 28, FOA has a contract with the National Academy of Sciences to make a survey and a report covering the usages of gas in Saudi Arabia, with specific reference to fertilizer and other industrial development. In that letter I also asked if you could forward a copy of the report of the UN specialist, Dr. K. K. Aalto, and I appreciate your cooperation in sending the report forward with your letter of February 10. We have placed the report in the hands of the NAS and I am informed by Dr.Manian that it will be of great help to them.

The NAS is making progress with the survey report but it will be a number of months before its completion. On February 12 we sent to you USFOTO 253 at the request of the NAS, requesting certain information regarding availability of water in Saudi Arabia. Until the NAS survey is completed I believe we would be wise to discourage any undue optimism as to the ultimate possibilities of the fertilizer project.

For your information, a number of the business people to whom we have talked, including Mr. Ralph D. Lamie, whom you know, have expressed the opinion that the Saudi call for bids on the fertilizer project is so vaguely and loosely drawn and so lacking in detailed specifications that no responsible American corporation would attempt to bid.

If the foregoing proves to be the case and the Saudis receive no response to the present call for bids, you may wish to consider the advisability of discreetly influencing the Saudis to defer any further action with regard to the fertilizer project until the NAS report is available.

Sincerely,

Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, & Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

CONFIDENTIAL

March 30, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to your USFOTO 298, to your letter dated February 26th; also my cable to you, TOUSFO 372 -- all pertaining to the Baker contract.

TOUSFO 372 informed you that we have decided to cancel the Baker contract which expires the end of this month, our reasons being:

1) Lack of drillers here;

2) Uncertainty as to when over-all water development project under such economic aid will be executed, since it is now expected that the meeting of the Council of Ministers being held at Riyadh will not terminate for three or four weeks more, after which time the project agreement will have to be negotiated and executed. This may take some time.

3) We feel that we "did not get our money's worth" in work accomplished during the past three months.

Therefore, all arrangements with MiBaker, Incorporated will end March 31st. Arrangements have already been made with MiBaker/Jidda for returning those American employees who have been under contract with us.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 26, 1954

CONFIDENTIAL

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Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

We sent out yesterday the cable authorizing you to extend the existing Baker contract for one month. The cable only went forward after a strenuous hassle with the FOA legal and contract people. These gnetlemen were extremely critical of the contract itself, contending that it was loosely drawn and did not specify clearly what the contractor was required to do; that the costs were unduly high, etc. Also, we were unable to furnish any report of what the Baker people had actually done during the past two months, under the contract.

We pointed out the emergency nature of the whole operation, together with the fact that the contract was drawn up in the field, without the assistance of a battery of legal talent, such as is available here. It was difficult, however, to explain the late receipt of the contract for FOA/W study, in view of the fact that it was signed on January 25.

The legal and contract staff were emphatic that they would not approve any further extension of the present contract. However, if you can furnish us with detailed specifications and cost factors and justification why, in particular, the Saudis should not pick up the check as they have heretofore for the continuation of these drilling activities, FOA/W may ask for bids and let a contract for this work. This must be done here, however, through the regular FOA/W channels and procedures, due to the legislative restrictions on contracts. To obviate a break in operations, since the present contract expires March 31, we will have to have full specifications and information soonest.

For your information, we have been informed by the local Baker representative, Mr. Sam Morrow, that the Baker Company, on its part, also feels that any more short-term extensions would not be to their advantage and would not justify their keeping the drillers in Arabia.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, and Africa Operation

MICHAEL BAKER, JR., INC.

Corson

TJ341/GT686 ROCHESTERPENN 153/151 1/51 16 1534

LT MIBAKER JEDDAH

CJ 40 AWALT RE WATER RESOURCES CONTRACT WE HAVE HAD MEETING WASHINGTON WITH ED PIERCE PAUL TAGGART AND GENERAL COUNSEL WHO ADVISE THAT THEY REQUESTED DETAILS AND FACTS FROM CORSON SEVERAL WEEKS AGO REFERENCE THE CONTRACT AND THIS HASNT BEEN SENT AND WITHOUT IF THEY CANNOT REPEAT NOT NEGOTIATE A CONTRACT EITHER TEMPORARY EXTENSION OR LONG TERM STOP LIKEWISE ADVISE THAT THEY WILL NOT PERMIT CORSON TO EXTEND TEMPORARY CONTRACT STOP IT MUST EITHER BE LONG TERM CONTRACT BEFORE MARCH 31 OR NONE AT ALL UNTIL THEY GET FULL DETAILS STOP THEREFORE WE FEEL WE ARE CAUGHT IN MIDDLE AND UNABLE TO PROPERLY SERVICE EVEN A TEMPORARY CONTRACT AND HAVE NOTIFIED THEM WE MUST LEAVE JEDDAH MARCH 31 AT END OF CONTRACT STOP PLEASE IMMEDIATELY NOTIFY OUR MEN AND CORSONS OFFICE THEREFORE OF CLOSING OF CONTRACT WORK MARCH 31 AND ADVISE THIS OFFICE THAT THIS HAS BEEN DONE

MIBAKER

Re'cd 17 March 1954

MC

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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

March 29, 1954

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Some three or four months ago we submitted an application for Abdul Jalil Abdul Jawad for training in income tax procedure through the means of an FOA Type C Training Grant. Last year, arrangements were made for Mr. Ahmed Jamjoun, another official in the income tax division of the Saudi Arabian Government, to secure training in the United States. Mr. Jamjoun is presently in training at Harvard University. His training program was worked out in cooperation with the officials of Aramco and their Washington office. At that time it was determined that, as soon as Mr. Jamjoun concluded his training and returned to Saudi Arabia, his colleague, Mr. Jawad, would be sent to the States to take his place in a similar training program.

It is our understanding that Mr. Jamjoun has made an outstanding record in his training efforts. We are just as confident that Mr. Jawad will do equally as well, if not better. He is a little older than Mr. Jamjoun, with a little wider breadth of practical experience, equally as personable and in addition has been rather active in public affairs of the country. He has been a member of the Jidda Commercial School Commission and was to a large degree responsible, along with others, for its organization and conduct. He is definitely an outstanding Saudi.

Mr. Jawad's application for the Type C Training Grant has been prepared in close collaboration with Aramco whose employees are more directly affected by income tax requirements than any other group of individuals in Saudi Arabia. This application has been submitted in accordance with a predetermined plan previously mentioned here that was agreed upon last spring when Mr. Jamjoun was sent to the States for training. It is the plan for Mr. Jawad, just as it was in the case of Mr. Jamjoun, to be accompanied to the States by Mr. Nash, Director of Income Tax Affairs for Aramco, who will, upon their arrival, take Mr. Jawad to the FOA headquarters for consultation with our training officials. In anticipation of Mr. Jawad's training program Mr. Nash, in collaboration with our Division of Education, has prepared a suggested training program for him. Although not exactly like Mr. Jamjoun's program, it is similar. These suggestions are herewith attached for the consideration of our Washington training officials.

We have heard nothing from Mr. Jawad's application since its submission and we are beginning to wonder if it has been lost or if it has not yet been considered. In view of the rather exacting scheduling arrangement necessary to handle this case satisfactorily in cooperation with the government and all other agencies concerned, we are very anxious to have finalization of his departure date at the earliest moment. I am wondering, therefore, if you will not be kind enough to follow this matter through to a successful conclusion at the earliest possible moment to the end that we may be able to make the necessary arrangements for Mr. Jawad's departure as presently planned.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Attachment

Harland J. Corson
RDDolley/pa

Jiddah, Saudi Arabia
21 March 1954

ABDUL JALIL ABDUL JAWAD
FOA TRAINING PROGRAM IN U.S.A.

MEMORANDUM FOR DOCTOR ROBERT D. DOLLEY:

Pursuant to your suggestion, there is presented herewith a tentative proposal scheduling a year's Stateside training and education for FOA candidate Abdul Jalil Abdul Jawad, Chief Accountant of the Department of Zakat and Income Tax, Ministry of Finance, Jiddah, Saudi Arabia. The program offered below is oriented toward studies in the fields of accounting and income taxation, which are pertinent to the duties performed by Abdul Jalil in his present position. Major emphasis has been placed on the practical aspects of administration, combined insofar as feasible with an introduction to policy problems in the taxation of international commerce. It will be noted that the proposals represent a modification of the program now being followed by Abdul Jalil's colleague, Ahmed Jamjoun, who is currently finishing an exceedingly profitable year of FOA sponsored training in the United States. Most of the changes from the successful pattern established by Jamjoun merely recognize that Jalil's English is neither so fluent nor his academic preparation as extensive as Jamjoun's.

Phase I - 17 June to 15 August 1954:

If present plans are carried through, Jalil will arrive in Washington on Thursday, 17 June. After preliminary contacts with FOA it is expected that he will be assigned to Doctor S. McKee Rosen of the Bureau of the Budget, who will function as Jalil's general mentor throughout his Stateside sojourn. Doctor Rosen is familiar with the aims and needs of trainees in Jalil's field and situation. He is also in a splendid position to guide Jalil in formulating a program which will take advantage of the most suitable opportunities in the way of courses, tours and practical apprenticeship projects currently available. During the ensuing two months it is envisioned that Jalil might:

1. Attend the lecture series given by FOA to introduce foreign students to American history and Government.

2. Acquire a survey-knowledge of U.S. revenue sources and budgetary procedures.

3. Participate in guided tours of the Treasury Department and Internal Revenue Service.

4. Take a few weeks of in-service practical training with the headquarters audit staff of the Internal Revenue Service.

During this period Jalil would have a chance to acclimate himself, polish his English, and perhaps make an expedition to the U.S. under the auspices of the Saudi delegation.

Phase II - 15 August 1954 to 31 January 1955:

Jalil will proceed to Cambridge, Mass., to join the Harvard Law School Program in International Taxation. Doctor Rosen and FOA both have connections from past cooperation with Professor Surrey of Harvard Law School, who is in charge of the International Tax Program, so that no transitional difficulties should be involved; and the mechanics of making this transfer are well-known to all. For about a month Jalil will join with other foreign students, including several from the Middle East, in a preliminary course given jointly by Harvard Law and Business Schools, and designed to equip people of a diversity of origins with an English vocabulary adequate to cope with the technical terminology of the business, accounting and tax fields. During this time Jalil will meet his tutors (assistants to Professor Surrey) and will make arrangements for his curriculum during the forthcoming semester. Except for a lecture series and a seminar which are the heart of the International Tax Program, Jalil will be at liberty to select the studies which are most interesting and helpful to him. For example, these might include elementary courses in Corporate Accounting and Public Finance. Ahmed Jamjoun has already described Jalil's qualifications and limitations to the staff of the International Tax Program; and they have given assurances that courses of an appropriate level and content will be available so that Jalil will not find himself in over his head.

One of the greatest benefits which will accrue from Jalil's experience at Harvard will be rubbing shoulders with men from assorted nations who face administrative and policy problems in taxation similar to those Jalil deals with in Arabia. This should lead him to a broader understanding of the complex interdependencies of the flow of world commerce and the descisive influence of taxation on international trade.

Phase III - 1 February to 31 May 1955:

Reverting again to Doctor Rosen's particular supervision (probably following lines indicated by the International Tax Program staff), Jalil can take up a more intensive schedule of in-service training. This might comprise a month each of practical work: (1) with the Audit Division of one of the Internal Revenue Districts in Texas (because of the importance of oil in that state); (2) with the Collector's Office in a metropolitan area; (3) with the Field Examining Group in one of the smaller Regional Offices of the Internal Revenue Service, and (4) with the Central Administration of the Canadian Income Tax in Ottawa. These would acquaint Jalil with methods and techniques which he might later adapt to Arabia. They would also give him a cross-section of the administrative structure of texted tax systems.

Before returning to Jiddah in mid-June of 1955, Jalil would revisit Washington to render a report to Doctor Rosen and FOA, and submit his experiences to interested parties for appraisal and future reference, and to receive such tie-in or pull-together summary instruction as might be deemed appropriate for him.

HUMPHREY NASH

HLN/f

UNITED STATES OF AMERICA

~~TECHNICAL COOPERATION ADMINISTRATION~~

USA OPERATIONS MISSION TO SAUDI ARABIA

American Embassy - Jidda

OFFICIAL - INFORMAL

UNCLASSIFIED

March 28, 1954

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to USFOTO Circular A-41 relative to a country-by-country survey which the New York Times is conducting on technical cooperation programs through their foreign correspondents.

Shortly prior to my departure for Istanbul last December, a correspondent of the New York Times called here and asked for an opportunity to familiarize himself with our operations in Saudi Arabia. As this was the first time that I had been confronted by a reporter, and not knowing what the policy of FOA/W is on such matters, I stalled for a few days in order that I might have time to discuss the matter with our Embassy here. This I did and was informed that they saw no reason why I could not give the above-mentioned correspondent such information as he might wish provided it would be "unclassified" material.

The correspondent in question was staying at the Aramco house here. Consequently I contacted Garry Owen, head of Aramco here, with the request that he inform the New York Times correspondent that I would be only too glad to see him. However, he did not come in again prior to his departure from Jidda, which I learned later was immediately after I had contacted Mr. Owen. In the event he or another correspondent from the New York Times comes in, I will certainly take advantage of the opportunity of furnishing him with full particulars of an unclassified nature regarding our work here.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:c

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SECURITY CLASSIFICATION
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PAGE 1 OF 2 PAGES

DATE SENT Mar 11, 1954

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FROM - FOA/W

SUBJECT - NY TIMES ARTICLE

Ans 3/25
Ltr

(Check one before each address)

ACTION	INFO.	ADDRESS AND SERIAL NUMBER
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The NY TIMES is conducting a country-by-country survey of technical cooperation programs through their foreign correspondents. We understand that each correspondent will be asked to submit a country report aimed primarily at a general evaluation of the progress to date indicating the contribution the programs have already made to the well being of the people of the country. The correspondents will be asked to ascertain whether any projects have failed, whether any projects have been developed and then pigeon-holed, whether there has been any effect on private investment, and the degree of coordination in countries in which more than one program is operating. The correspondents will be asked to summarize the attitude of the people and of the leaders towards technical cooperation programs.

The correspondents will be asked to make their reports colorful and to include some highlights of major projects and specific examples. They will be interested in getting material on unusual experiences of US technicians.

FOA/W has supplied the Wash. Bureau of TIMES with statistical material on a country by country basis. This includes the cumulative total of US allotments for the 1953 fiscal year, and program projections for the fiscal year 1954; an estimate of the local contributions for the same 2 years; the estimated number of trainees for fiscal year 1954 and the US country staff for fiscal year 1954. Wherever possible, this statistical material includes only straight technical cooperation funds and eliminates dollars budgeted for special economic aid.

Last year, a similar survey by the NY TIMES resulted in a 16 column spread and a very favorable presentation of the technical cooperation program. We hope that each mission will cooperate to the fullest extent possible with the TIMES correspondents. In this connection, you may desire to call on the USIS public affairs officer for assistance and guidance.

AUTHORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
William J. Caldwell	JLNewman:TT	M/PR	2655	3/10/54

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5 Amembassy MONROVIA
3 Amembassy MONTEVIDEO
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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

OFFICIAL - INFORMAL
CONFIDENTIAL

March 29, 1954

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

We were prepared to cable you concerning the advice contained in your USFOTO A-83 of March 3; however, it was decided that it would be more desirable to discuss the matter referred to in this communication through the means of a letter.

We would like to request reconsideration of the three mentioned applicants, particularly Bakur Abbas Khomais whose training program, though different from the routine training arrangements currently available through our Washington organization, should be implemented as recommended. We are conscious of the fact that the applications of Murshid and Ezzee could be considered less desirable than other candidates whose applications we have submitted. Their personal characteristics and the knowledge of the situation as it exists in Saudi Arabia has tipped the balances in favor of our decision to submit the applications of these two latter individuals. We believe that, should our recommendations in connection with these two men be followed, the results will be beneficial because we know them and their personal qualities which set them apart from many of the Saudi Government employees.

In the case of Mr. Khomais, his training program has been very very carefully considered, both from the standpoint of personal qualities and characteristics as well as to the service that he will be called upon to render upon his return to Saudi Arabia. He is not an ordinary candidate, nor is this an ordinary training request. We have recommended his application and Mr. Khomais very highly and would like to reiterate our convictions with respect to his case.

He currently is an employee of the Ministry of Finance who for the past six to eight months has been assigned by the Ministry of Finance to the direct assistance of the USA Operations Mission to Saudi Arabia, particularly the Division of Education. His full salary and expenses amount to approximately 900 Riyals per month and are paid by the Saudi Arabian Government. His office is with the Division of Education. His efforts in interpreting, translating and assisting in the processing and documentation of training applications have been indispensable.

His long experience with the American Embassy and an English speaking organization, the SAMS gold mining corporation, has given him a background of experience that few Saudi Arabians have, particularly on this side of the country. Aside from this background, he is a man of high motives and ideals, pleasing personality, impeccable in his attire, with a real objective in life. We have considered him one of our finest prospects for training in the United States. He has attended evening classes in the Commercial School sponsored by our Mission ever since the organization of the school. In addition, he has supported it, promoted it, and otherwise been of extreme service in making our efforts a constructive reality in connection with this project.

His training program has been recommended in the light of conditions with which this government is currently faced in the transaction of its rapidly increasing business. As you probably know, all secretarial and clerical assistance in Saudi Arabia are males. No women are employed in any of the government offices or for that matter in any of the government activities. This means that the volume of clerical work in the government agencies has to be performed by men and currently by men who have no conception of modern methods and training barely above the level of Arabic writing ability. Aside from the typewriter, there are few, if any, modern machines used in the transaction of government business. We are attempting to give training on some modern business machines in our Commercial School and employers have in many instances purchased modern machines which stand idle because of the inability of their employees to run them or to understand the value of their services in the discharge of the business of their offices.

These modern business machines are going to be amplified in the Commercial School but again we find our efforts inhibited because we have no one upon whom we can draw who understands their operation or possesses the skill to run them convincingly or skillfully. The need for modern methods and ability in the government offices is beyond description.

Mr. Khomais, above all others, has been selected because we feel he has the capacity to acquire the skills in the use of these modern machines and the ability to transmit his knowledge not only to trainees but in the improvement of procedures as far as business is concerned in the governmental agencies of Saudi Arabia. The Ministry of Finance is committed to this training program and has agreed to make Mr. Khomais' services available to other governmental agencies and particularly the Commercial School, upon his return. The training program that we have designed and recommended, as you may see after this explanation, coincides directly with the ultimate objective towards which we are striving and for which we want Mr. Khomais trained.

Your communication stated further that the training desired could be secured on an inter-country basis. This suggestion cannot be followed because it is absolutely impossible to secure the kind of training we have requested for Mr. Khomais anywhere closer than the United States. There are no means of providing the kind of training we have in mind in the Middle East. Our

present contractual arrangement with AUB precludes the possibility of this University being of any assistance whatsoever in the training program as far as Saudi Arabia is concerned. Until changes have been made in the present arrangement for assistance through AUB, we are prevented from using any of their instructional facilities; however, even though it were possible to send Mr. Khomais to AUB, their facilities to give the kind of training that we are requesting are completely inadequate. We feel that this training program, though it does not fit directly within the purview of some government agency's training schedule, deserves more than perfunctory consideration. We feel that such training as we have requested is available through private schools in Washington or New York and that arrangements for Mr. Khomais' training through these private schools could be made with relatively little difficulty.

It might be that, rather than referring to this training program as one of public administration to be handled by the Bureau of the Budget, the program might be more appropriately considered as an educational program to be handled through the U.S. Office of Education.

We earnestly solicit your reconsideration of Mr. Khomais' candidacy and early advice concerning your decision.

Yours sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson
RDDolley/pa

FOREIGN OPERATIONS ADMINISTRATION

SECURITY CLASSIFICATION
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PAGE 1 OF 1 PAGES
DATE SENT 3-3-54
DATE REC'D.

FROM - FOA/W

SUBJECT - Potential Pubad trainees Rida Murshid, Bakur Abbas Khomais, and Wasfi Ezzee.

REFERENCE - TOUSFOS A-51 and A-52 of Jan. 7, 1954; TOUSFO A-63, Jan. 10, 1954.

(Check one before each address)

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The referenced airgrams submitted, in order listed, the applications of the subjects for training in various fields of public administration.

After review of the applications and careful appraisal of the education and work-experience background of the applicants, FOA/W does not consider them sufficiently qualified for training in administration in the United States at this time. The applications for this purpose are, therefore, rejected.

It is suggested, however, that the applicants should be considered for inter-country training, possibly in Cairo or at the American University at Beirut. If training is desired on this basis, and after tentative arrangements for such training have been made by USOM, FOA/W will issue necessary training activity authorization upon your request.

STASSEN

AUTHORIZING OFFICER	DRAFTED BY	OFFICE	PHONE NO.	DATE
S. McKee Rosen	W.B.McCann	TORB, S/PAD	428	3/1/54

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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

March 29, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon & Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

Referring to your letter of March 1, concerning improvements to Gizan Harbor:

I feel that the proper way to approach this matter is to negotiate a single contract with a reputable firm of engineers to make a survey of the harbor requirements and prepare specifications covering all improvements as are deemed necessary at this time. It is quite possible that such a survey could be made for approximately $50,000 or less; thus, the balance of the $100,000 allocated for this project could be contributed towards the actual cost of the improvements.

When this survey has been finished, then bids could be asked for from various construction firms to cover the actual construction work. In this way our FY/54 SEA funds for this project could be obligated prior to June 30 next.

In talking this matter over with the Assistant Deputy Finance Minister, he agreed that the plan set forth above was in accord with the manner in which he wished to handle this project.

The only information available regarding this harbor is a report made by FAO, among other matters, under date of April 12, 1953, copy of the extract from this report covering Gizan Harbor being attached for your information. We are, however, inclined to feel that the price of $50,400 as set up in this extract is somewhat low for the work outlined when all factors attributed thereto have been finally settled.

We shall be glad to call upon Mr. Crooks if it is felt that a trip down here would be warranted. However, as stated above, this project is an absolute engineering problem and could best be handled by a qualified engineering firm having experience in this line of work.

Sincerely yours,

HJCorson
EFSinclair/pa

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Enclosure

EXTRACT FRO. FAO REPORT DATED April 15, 195.

"The Jizan Harbor:

Cost Estimate ------ 18,000 Pounds Sterling, or $50,400

The above figures were based on an estimated cost of making some simple and rapid improvements in the harbor. It was felt that these simple improvements would afford the quickest benefits and would be sufficient to cope with the immediate needs. From a preliminary survey of the harbor area, there appeared to be possibilities of constructing a jetty from local limestone rock found near Jizan City. Point 127 on the enclosed sketch is a drilling location of the U.S. Geological Survey, at which limestone was found in the core samples. Another location of limestone is near the north gate of the City which is shown on the sketch. It would be necessary to make tests with the limestone to determine its suitability as a material for constructing the jetty. It may be possible to use the limestone in its quarried form as rock to build the pier. If the limestone is of a poor quality, it still may be possible to use it by crushing it and mixing with cement to make reinforced boxes, which could be filled with suitable material, sealed, and sunk into the proper place for construction of the jetty. If the limestone is of a very poor quality, it will not be possible to use it at all. In this case it would be necessary to build a pier, using timber or other piling.

The order of work should be:

1. Selection of a suitable site in the Jizan Harbor for the construction of either a jetty or a pier. The selection should be made after a careful survey of the depths of the harbor and the adjacent coast line, north and south. After the survey, a plan of the harbor should be drawn, which would show the site of the jetty, location of bouys which mark the lane of approach, and the depth markers. The pier or jetty site should be selected to assure the maximum possible ease of entry and exit to the jetty from land.

2. Determine the suitability of the limestone for use as a material for constructing the jetty.

3. If the limestone be suitable, open one or two quarries at the sites shown on the sketch, and begin quarrying, after roads are laid out from the harbor site of the pier to the quarry. It is estimated that it would be necessary to transport the limestone over these roads for a distance of one and one-half to two kilometers.

4. Begin construction of the jetty. It was originally intended to make the top of the jetty 6½ meters wide and extend the jetty for a distance of 500 meters from the shore line into the harbor. The estimated average depth of the jetty would be 1½ meters. This would enable a small craft to transport 25 to 30 tons through a bouyed channel from a steamer anchored outside the harbor. Such a system of transferring the cargo from steamer to jetty by a small harbor craft should be adequate for immediate needs. After further development of the Jizan area, sea traffic may demand more harbor improvements. It is important that the jetty or pier be finished by the end of 1953, at which time the design of the Jizan Irrigation Project is expected to be finished and construction work can begin."

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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

OFFICIAL - INFORMAL
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March 29, 1954

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

We sent a cable several days ago urging the extension of the training program for our five telephone trainees in the States. This cable was inspired by advice from the office to the effect that an extended training program could not be firmed up beyond May 1; that there was some difficulty in securing the cooperation of the telephone companies in carrying forward this training program as recommended by our Mission and by the Ministry of Communications, under whose sponsorship these trainees will be employed upon their return to Saudi Arabia, because apparently the Saudi Arabian Government had decided to use other than American-made equipment in their new telephone installations.

At the time these trainees were sent to the States, there was no intimation that their training was in any way connected with a prospective contractual arrangement with the Automatic Telephone Company under whose sponsorship they were subsequently placed. The Ministry of Communications, incidentally, was established as a separate and distinct part of the government after these trainees were sent to the States. The new Minister of Communications was very much interested and pleased that five Saudis were being trained in telephone techniques in the States and asked at that time that their training be extended for a period of two years because he was certain that their background was not sufficient to make it possible for them to profit to the greatest extent from one year of training experience. It now developes, after many communications with our Washington office urging the extension of these training programs, that because the Automatic Telephone Company has failed to follow up its opportunities to bid on the various installations in the country, it is felt that cooperation cannot be secured beyond May 1 to handle the training of these five men.

We regret that this element has been injected into this training situation because the field has never been aware of the Automatic Telephone Company's personal interest in this training program and certainly it has not been an item of consideration in the mind of the Minister of Communications. To be placed in the position of having to explain to the Minister at this time that

we are unable to continue the training in accordance with his request of more than six months ago, because the entire equipment being used in installing the telephone systems in Saudi Arabia was not purchased from the Automatic Telephone Company, forces our Mission into virtually an indefensible situation and will immediately indicate to the officialdom of Saudi Arabia that all of USAOM activities are motivated for ulterior purposes.

We are very conscious of the problems that some of our trainees have created for our Washington colleagues; however, these problems are almost exclusively confined to the original trainees sent to the United States. These original trainees were sent because of the inadequacies of the Mission in Saudi Arabia which made it virtually mandatory to process the applications of the original group in order to comply with ill advised commitments made to the Saudi Arabian Government officials. The trainees sent after these original applicants were accepted have made better than an average record for themselves. We are proud of the work they are currently doing and the benefits which have resulted from these favorable reports. We would dislike very much to have our efforts nullified by the lack of vision or prejudice that might preclude extending the training program of these five telephone trainees in accordance with the many requests we have made.

We are inclined to feel that these trainees have profited far beyond the estimates of our training officials in Washington. We know how little they had in the way of knowledge and background upon which to start. Through correspondence with them individually from time to time, we cannot help but feel that they have just now reached the place where they can derive the greatest benefit from an extension of their training schedule. The Saudi Arabian Government has made an investment in these five people far in excess of the investment so far of the United States Government. The relatively small investment that may be required to keep these young men in training under the circumstances should not be an item of major consideration. We hope that every effort will be put forth to continue these Saudis in training for the full two year period in accordance with the request of this Mission and that of the Ministry of Communications.

We are enclosing a letter from one of the trainees under date of March 12 which typifies recent communications that we have received from the other trainees and which indicates, at least in part, the development and progress these men have made during their brief stay in the States. We feel that the training situations in which they are currently placed are ideal and should be continued. If it is definitely determined that our requests in this connection are not going to be granted, your immediate advice by cable to that effect is requested to the end that we may not be delayed any longer than necessary to advise the Minister of Communications of the determinations reached. This kind of advice, of course, we are sure will create problems for our Mission that can hardly be overcome.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson
RDDolley/pa

TELEGRAM

Foreign Service of the United States of America

OUTGOING

UNCLASSIFIED

CHARGE: Classification Control: 17

DATE: March 29, 1954

TO: AmEmbassy, Iraq

FOR: Wiens, Director

FROM: Corson

Referring conversation Taggart with Kelcey regarding side trip Jidda, I would like discuss several projects with Kelcey or MacDonald if convenient either come to Jidda soon. Advise.

WADSWORTH

HJCorson
EFSinclair/pa

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☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

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USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 29, 1954

PERSONAL

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I was delighted to note from your letter dated February 26th (recently received here) that you are working hard on getting a trip to this part of the world. Nothing would please me more, and I am sure that all the staff here joins me in this, than to have you visit with us so that you can see first-hand what conditions are here, "where we are trying to go" and "how we plan to get there." Such a visit would be most helpful to us as well as to you.

Since you mentioned that there is a question as to whether or not FOA/W has funds available for such a trip, I asked Thel if there was any way that such a trip could be financed by this Mission, but was told that that is out of the question.

Please keep plugging for your trip and keep me posted as to the success you are having. I wish we could count on your being here with us prior to the hot season and the Hajj.

Sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION

Washington 25, D.C.

February 26, 1954

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PERSONAL

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

Reference is made to your letter of January 31, 1954. You are correct, we have often wondered why we have not heard from you oftener. We are fully aware of the shortage of staff and various problems with which you have had to contend.

I have been extremely anxious to get to the field, and particularly to Saudi Arabia, to obtain a first-hand view of the Countries for which I am responsible and to evaluate and confer with the various Country Directors on their programs and activities. One thing and another has delayed this field trip. I am still pressing for such a trip. How soon it can be accomplished, if at all, I will not know until Norman Paul returns from his present tour. I received the sad news yesterday that FOA is practically completely out of travel money. If that is true, even though the work is such that I could leave it for a field trip, the question arises as to whether or not funds could be made available for such a trip. I sincerely hope that arrangements may be possible but I should not want to hold out any hope that I will be in Saudi Arabia in the immediate future.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & Africa Operations

USA OPERATIONS MISSION TO SAUDI ARABIA.
American Embassy - Jidda

April 13, 1954

Mr. Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to your letter dated February 25th relative to the status at that time of the FOA/USGS contract.

Shortly after Glen Brown returned from a rather extended field trip, I discussed with him the possibility of our trying to draft a proposed agreement which might be mutually acceptable to FOA and to USGS. Glen was especially pleased with the idea. Consequently, as soon as we know definitely that we will have a water development agreement with SAG under the Special Economic Aid grant, Glen and I will prepare such proposed agreement and forward it on to you for whatever value it may have there.

As I see the picture at this time, it would seem that two agreements might be required by FOA and USGS: one covering the overall relationship between FOA and USGS, and the other covering a contract with USGS to do that phase of the water development program corresponding to geological work, with Glen Brown, Roy Jackson and the mineral geologists being excluded from such contract. In other words, this contract would cover such personnel and backstopping as could be furnished by USGS in carrying out the above-mentioned phase of the water development program, the same as could be done by any commercial firm engaged in geological work.

I will write you further in this connection at a later date.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission
to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 25, 1954

Mr. Harland J. Corson
Director, USA Operations Mission
to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Ans 4/13

Dear Harland:

Among a number of items mentioned in your letter of February 10 was an inquiry as to the present status of the FOA/USGS contract.

I regret to say that the situation in this regard has undergone little change since we cabled you on February 3. We are still awaiting the settlement of the over-all FOA-Department of the Interior Agreement, which must precede any FOA agreements with individual bureaus such as USGS.

I appreciate very much your suggestion that you and Glen Brown try to work out a proposed agreement, based on conditions as you see them in Jidda. This is an excellent suggestion and if you and Glen can come up with such a draft and let us have a copy it would enable us to expedite action when the over-all FOA-Interior Agreement is finalized.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and African Operations

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

March 23, 1954

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

Reference is made to your letter of March 10 regarding methods of implementation of the cooperative service type agreements. As suggested in last paragraph of your letter, I am submitting a copy to the FOA Controller for any further comments he may have to make on this subject. Any such comments will be forwarded to you immediately.

It is to be hoped that the budgetary procedure planned by the SAG, which is outlined in another letter just received from you (also of March 10) will result in more effective use of the SAG oil revenues. As you point out, the crucial matter, as far as we are concerned, is the amount to be allotted and spent by the Saudis for developmental projects.

It is an encouraging factor that the plan of establishing a Development Board to administer such funds is going forward. One need only look to the example of Iraq, another Near Eastern country which enjoys considerable revenues from oil royalties, to foresee what could be accomplished in Saudi Arabia by the effective functioning of such a Board. I will appreciate receiving from you the final SAG budget figures approved by the Council of Ministers and any further information regarding the organization of the Development Board.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & African Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL

March 10, 1954

CONFIDENTIAL

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I refer to your letter dated February 24th relative to a possible survey of the old Medina-Ma'an Railway. It is quite apparent from the tone of the letters received in Washington regarding the Riyadh-Jidda survey having been made by FOA that the American public still is not aware of the objectives of technical assistance programs in underdeveloped countries. I am sure FOA/W has the answers to such questions, particularly from the political point of view.

I am informed that the King is still very much interested in going ahead with the construction of the Riyadh-Jidda Railway to unite the Persian Gulf side and the Red Sea side of his country, but of course, the matter of financing such a project still has to be determined. I can assure you that the officials of SAG, as well as prominent business people of Saudi Arabia who are aware of the fact that "Point IV" did such survey, fully appreciate the cooperation given by Point IV to the Saudi Arabian Government and it is not infrequent that one can hear favorable comment on this matter. It would seem to me that the excellent job done by International Engineering on this survey was well worth the price paid for the favorable effect which it created.

The Medina-Ma'an Railway survey is quite a different matter since, as I have informed FOA/W, this railway belongs to a Moslem religious Foundation and is not a privately or Government-owned enterprise. Therefore, our doing the requested survey will not only tend to create a favorable effect on the Saudi Government, but also on the Moslem hierarchy in charge of this Foundation. Furthermore, there appears to be no question but that the Medina-Ma'an Railway will be restored in the not too far distant future, with payment for same to be made by contributions from Saudi Arabia, Syria, Jordan and probably other Moslem States, in addition to those from Moslem individuals and organizations. Since the primary objective of the Medina-Ma'an Railway is for handling traffic of Pilgrims during the Hajj, the matter of whether or not it is economically sound is not a point at stake.

I have discussed your letter under reply with Ambassador Wadsworth and he agrees that should we receive a formal request from SAG to do the Medina-Ma'an Railroad survey, it would be to our best interests to accede to such request. I might mention that, according to the estimate of Mr. Charles Buck, Vice President of International Engineering, who accompanied the party which recently made the preliminary physical check of the line, the cost of the above-mentioned survey probably would not exceed $50,000.

In the event FOA/W has further comments to make on this matter, I shall be grateful if you will let me know of them. I feel that this is the type of technical assistance which is expected of us, which falls within the objectives of FOA and which will produce the right kind of effect on the Government and people of Saudi Arabia.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:c

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 24, 1954

CONFIDENTIAL

ans 3/15

Mr. Harland J. Corson
Director, USA Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I refer to your letter of February 1 regarding your discussion with Mr. Fred Zahid on the subject of a possible survey of the old Medina-Ma'an railway route.

We have been gratified here to receive your reports of the good reception accorded the report on the recently completed Riyadh-Jidda survey. It is our understanding and that of the State Department that the Saudis, from the King on down, feel that an excellent job was done by the FOA contract agent, International Engineering Company. However, for your information, FOA has been subjected to quite a barrage of criticism for sponsoring and paying for this survey. A recent article in the Saturday Evening Post on the Damman-Riyadh railroad mentioned the fact that the Riyadh-Jidda survey was being made by FOA. Although barely mentioned, it created a rather startling crop of letters from all over the country asking, in effect, "Why should the American taxpayer foot the bill for such a survey when the Saudi Arabians enjoy a very large income from oil royalties?" While we have had no formal inquiries from Congressional sources, as yet, we have received a number of telephone inquiries from the Hill on this same subject.

We have managed to parry the above mentioned inquiries but the fact remains that our own technical experts in the FOA Transportation Division are quite skeptical as to the wisdom of our entering into this Medina-Ma'an survey. Their questions appear to boil down, roughly, to the following: (a) Why a second survey when the Saudis are unable to furnish convincing proof that they are financially able to carry out construction? (b) What use are the Saudis making of the first survey, Riyadh-Jidda, admittedly an excellent job? (c) What evidence is there to support the premise that the Medina-Ma'an railroad is economically desirable?

In full recognition of the fact that you are faced with a definite request on the part of the Saudis to arrange for the Medina-Ma'an survey and that a preliminary study has already been undertaken by Mr. Sinclair, Glen Brown and others, I would suggest that you consider this matter very carefully before making any final commitment to the SAG.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia & African Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 10, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

In paragraph 6 of our TOUSFO 338 dated March 5, I informed you that the King had told Ambassador Wadsworth that he plans on having two budgets, one ordinary for covering normal Government operations, and the other for covering capital investment required for development ~~of~~ program/projects; also that he will establish a development board to administer the latter budget under his personal supervision.

You will be interested to know that in the King's speech (Ambassador Wadsworth is forwarding a translation of this to the State Department) he reiterated his budget plans, as mentioned above, plus an additional budget to cover contingencies. This latter presumably would cover special financial requirements of the King and the Royal Family.

I am further informed that the first two mentioned budgets will amount to somewhere around 600,000,000 Saudi Riyals. So far I have not been able to ascertain the estimated amount of the second mentioned budget (development projects), which budget, of course, is the one in which we are most interested.

As soon as I am able to obtain budget figures approved at the present meeting of the Council of Ministers, I will forward this information on to you.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

(2)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
CONFIDENTIAL

March 10, 1954

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I wish to thank you for your USFOTO 275 in which you gave me instructions as to how to proceed in the drafting of project or program agreements providing SEA in the event a special economic aid agreement is not executed.

As mentioned in another letter going forward by this mail, I will inform you as to how we will handle the matter of economic aid agreement(s) after the return to Jidda of the Minister of Finance from his participation in the present meeting of the Council of Ministers being held at Riyadh. I do not anticipate any difficulties in executing the proposed special economic aid agreement handed to the Minister, but one never knows what may be done until it is done.

Sincerely yours,

Harland J.Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

CONFIDENTIAL

(2)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 10, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

Dear Paul:

I appreciate the comments which you kindly forwarded to me in your letter of February 18 made by the FOA Controller regarding the type of cooperative service agreement which we plan to use here.

I would like to point out, however, that where appreciable sums are involved, the full amount of the contributions will not be made in advance but instead, we plan to arrange for a deposit to be made to cover the first six months' operations, which deposit will be reimbursed each month by the amount expended or committed during the previous month. In this way we will have at all times a "cushion" sufficient to wind up a project in case SAG does not meet its prescribed deposit schedule.

Where lesser sums, say $100,000 or less, are involved as each country's contribution to the project, the full amount of the respective contributions should be deposited in a joint account to be established in an acceptable commercial bank prior to the initiation of work under that project. Projects involving smaller sums of money will in practically all cases not cover more than one-year duration, whereas projects covering larger sums may be of from 2 to 3 years' duration. Naturally it would not be good business to tie up such larger sums for extended periods of time.

We have discussed various methods of financing projects with Mr. Dale, U.S. Treasury Representative to the Near Easterncountries, as well as with several private bankers here, and it is the concensus that the only safe way to carry out projects in connection with SAG would be to have funds made available in advance of starting any work, since SAG is notoriously slow in meeting its obligations and we cannot foresee any reasons why exceptions would be made in the case of SAG/USAOM projects.

Should the FOA Controller have any further comments to make regarding the above statements, I shall be very happy to receive them.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 18, 1954

ans 3/10

HC

Mr. Harland J. Corson
Director, U.S.A. Operations Mission
to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

As you know, the subject of the cooperative service type of agreement has been discussed in several of our communications. Your use of this type of agreement was, of course, approved by USFOTO 194 dated January 8. In this connection I am sure you will find interesting and useful the following comments which have been made by the FOA Controller on this type of agreement, based on your letter of November 28.

"I can appreciate the difficulty which Mr. Corson has in making sure that the Saudi Arabian government will have the cash at hand and be willing to spend it to implement jointly agreed upon projects as activity on the projects progresses. I do not think, however, that Mr. Corson's proposal is an entirely satisfactory way of meeting the problem.

"As I understand Mr. Corson's suggestion, he contemplates that when a project is agreed upon, all the funds committed by the U.S., as well as all of the funds which the Saudi government proposes to spend on the project, would immediately be deposited in a commercial bank account. While Mr. Corson does not specifically indicate how this account would be controlled, I assume that he would expect the U. S. deposits and the Saudi deposits to be merged in a single account and that expenditures therefrom would be subject to joint approval by a representative of the Saudi agovernment and by Mr. Corson. Basically, this arrangement is similar to the funding arrangements for servicio operations in Latin America, except that Mr. Corson contemplates that all of the funds required for projects would be deposited in advance, whereas the typical arrangement in Latin America is that the funds are only deposited by the U. S. government as they are required for expenditure by the servicio with provision for a reasonable working balance of cash.

"Assuming that an appropriate joint fund or servicio agreement were developed and adequate safeguards established relative to expenditures from the joint fund, I can see no objection in principle to the adoption of this technique in Saudi Arabia. I think, however,

that even though such a joint fund were established, there would be serious objections to approving the deposit of the entire U. S. contribution to the project in advance. Since presumably expenditures on any given projects will be made over a considerable period of time, perhaps as much as two years or more, there would seem to be little basic justification for the payment of a substantial amount of funds out of the U. S. Treasury months in advance of the time such funds are actually needed to implement a project.

"As an alternative proposal, I should think that project agreements might be written under which the Saudi Arabian government would agree to the establishment of a special fund in its own treasury accounts from which expenditures would be made to implement the project, just as the U. S. Government by its allotment and obligation process reserves in special accounts the funds to meet its commitments. I realize that under such an arrangement the Saudi Arabian government might still fail to fulfill its commitments, but I should think there is considerable doubt as to whether or not we can have a really successful program in Saudi Arabia or anywhere else if we must operate on the assumption that we cannot rely on specific and definite commitments by a host government."

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon & Syria Division
Near East, South Asia, & African Operations

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 9, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Dear Paul:

In paragraph 2 of our TOUSFO 338 dated March 5, we informed you that we would send you an appropriately revised FY-55 Technical Assistance budget. We attach such budget in duplicate.

You will note that in line with paragraph 2 of USFOTO 275 dated February 27, we have increased our FY-55 budget from $1.7 million, as was originally agreed upon, to $2.61 million, having reduced the FY-55 special economic aid projects from $3.35 million, as was previously agreed upon, to $2.41 million.

The total amount of the attached revised FY-55 budget of $2.61 million is broken down as follows:

		Per Cent
Agriculture	$ 625,997	24.0
Health & Sanitation	372,497	14.2
Education	571,264	22.0
Natural Resources	125,894	4.8
Transportation & Communications	379,979	14.6
Public Administration	166,250	6.4
Administration	367,526	14.0
	$2,609,407	100.0

We would like to call your attention to the fact that under ADMINISTRATION we have made provisions for administratively handing both TA and economic aid programs/projects during the next year. As we have written you on a number of occasions, we are considerably understaffed and the personnel of this Mission should not be expected to continue working long hours and under pressure as at present. We know that you can appreciate this situation and the justness of our having made such provisions in the enclosed ADMINISTRATION budget.

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

In case you have any questions regarding the enclosed budget, which we hope will reach you in time for Congressional presentation, please let us know.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl. -
Revised FY-55 budget

HJCorson:o

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CONFIDENTIAL
Classification

CHARGE:

Control: TOUSFO #377

TO: FOA/W

DATE: March 29, 1954

For Taggart.

TOUSFO 343. Due Abu-Taleb attendance Cairo meeting Arab League Council month April and Ramadan month May, Yemen visit postponed until sometime June. Writing.

CORSON

HJCorson:o

CONFIDENTIAL
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CONFIDENTIAL
Classification

CHARGE:

Control: TOUSFO #343

TO: FOA/W

DATE: March 8, 1954

For Taggart.

Abu Talib, Charge d'affaires Yemen Legation in Washington, after brief discussion here with Ambassador and me re possibility his country requesting TA for FY-55 period, now says he proposes urge King invite me visit Yemen second week April when Ambassador presents his credentials, to discuss agreement. He stressed urgency assistance roads and port construction as prerequisite to undertaking national agricultural development program.

Have explained USAOM does not participate construction but merely provides technical assistance. Suggest $200,000 be included in FY-55 budget for Yemen for above purposes, in case agreement executed.

Ambassador agreeable my accompanying him on Yemen visit if King extends invitation. Suggest consultation State and await early telegraphic instructions.

CORSON

HJCorson:o

CONFIDENTIAL
Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

March 3, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I refer to your letter dated February 9, attached to which you sent this Mission printed material on Community Development Process as prepared by the Community Services Division of FOA/W. I wish to thank you for sending such material to us.

As you know, we are engaged in community development work at both Wadis Itwad and Khulais. I am sure that Dr. Carl Taylor, Regional Community Development Advisor, can be of considerable assistance to us and we will look forward to his spending a little time with us on this phase of our activities.

I am wondering if it would be possible for Dr. Taylor to stop off at Jidda, if for only a couple of days, on his way to New Delhi where he will establish his headquarters?

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Mr. Paul F. Taggart
Chief, Saudi Arabia-Iraq-Lebanon-Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

HJCorson:o

Corson
Hazleton

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 9, 1954

171
Enclosures in Program Officer's files.

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

ans 3/3

Dear Harland:

The Community Services Division of FOA has furnished us with a quantity of material on Community Development Process, which may be of value to you in connection with our effort in this field in Saudi.

The following is a list of the materials, which I am forwarding herewith:

1. Kit on Community Development - These materials were assembled late last Spring. Limited numbers of copies were sent to the country missions at that time. The record does not indicate, however, that any were sent to Saudi Arabia.

2. The June issue of the Community Services Newsletter - Since this issue of the Newsletter described the TCA country programs having a national community development activity, it may be of interest to you as indicating the ways in which community development programs are being organized.

3. Summary Notes on Interdepartmental Conference on Community Development Process - It is of interest to note that in this statement Dr. Taylor observes that maternal and child health programs could gain acceptance when other programs could not.

Dr. Carl Taylor has just been appointed as Regional Community Development Advisor. He will be going to the field soon with headquarters in New Delhi.

Before going to the field Dr. Taylor plans to consult with the country desks as part of the process of determining the various priorities and planning his activities in the field. I will advise you regarding his future program and as to when it may be possible for him to go to Saudi Arabia, if you concur that such a visit would be helpful.

Sincerely,

Paul

Paul F. Taggart
Chief, Saudi Arabia-Iraq-Lebanon-Syria Division
Near East, South Asia and Afria Operations

Enclosures
As noted.

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 27, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I would like to call your attention to a letter written December 12, 1952, by Thomas A. Hart to the Bureau of Ships, Navy Department, and subsequent correspondence, relative to naval radio equipment that is to be loaned to the USAOM/Saudi Arabia, for use primarily by the Natural Resources Division. An attempt has been made to summarize all correspondence available here dealing with this equipment, the status of the equipment and the efforts that have been made to put this equipment in operation.

1. Mr. Hart's original request called for the delivery of:

7 each	Transmitters:	AN/ART-13	
7 "	Receivers:	BC 348Q	
7 "	Power Supply:	PE-75	24-28 volt gasoline generators
	Antenna sets		
	Auxiliary equipment.		

2. A subsequent inter-Naval letter dated December 29, 1952, states that the power output of PE-75 generators is 115 volts. The requirements of the transmitters and receivers are 28, 400 and 750 volts. Dynamotors furnished with the transmitters take an input of 28 volts and supply 28, 400 and 750 volts. Another letter reads that in lieu of the 7 PE-75 generators the Electronic Supply Office is to substitute the following:

7 each	Rectifiers:	PP-65/MPN-1A
7 "	Rectifiers:	PP-66/MPN-1A

These rectifiers take an input of 110 volts and the output is 28, 400 and 1100 volts (the 11 volt output is deemed satisfactory to replace the 750 volt requirement). Apparently the intention is that these rectifiers be used to rectify the 115 volt output of the PE-75 generators that are no longer to be furnished.

Correspondence

Mr. Paul N. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

3. Correspondence relative to spare parts and auxiliary equipment states that, in respect to the receivers, none are available and 7 additional BC 348Q receivers are to be shipped as replacements as needed. Another letter relative to the AN/ART 13 transmitters states that 7 sets of equipment spares are being shipped. It is not clear whether this refers to 7 sets of spare parts for the transmitters or 7 sets of spare transmitters.

4. The following units have been received in Jidda:

7 each Transmitters:	AN/ART 13	14 cases
7 each Receivers:	BC 348Q	7 "
7 each Receivers:	BC 348Q, spares	7 "
7 each Rectifiers:	PP-66/MPN-1A	7 "

In addition, 13 small packages of spare parts have arrived via sea pouch. No other radio equipment is known to have arrived in Jidda for this organization. A request for information regarding the shipment of this equipment was answered by TECTO WIROM 45, July 29, 1953, in which it was stated that 14 antenna sets were shipped March 21, 1953, via the SS Steel Vendor. A receipt is in the files signed by John Stacy. However, we are unable to locate the antenna sets.

5. It is obvious that there is some confusion as to just how this equipment is to be eventually used, as indicated in the rectifier-generator case. Regardless of this, certain items of equipment essential to the operation of the equipment in any manner is missing:

14 Antenna sets
7 each Rectifiers: PP-65/MPN-1A

The above items are mentioned in the correspondence as either being shipped or approved. The items listed below are not mentioned in any available correspondence, but are essential:

Generators: 110 or 28 volt, depending on how equipment is used
Cables for connecting equipment
Microphones and/or speakers and/or headphones

6. The technical advice of radio technicians from the following organizations has been sought as to how to best operate this equipment: ARAMCO, Saudi Arabian Airlines, and, most recently, the USS Duxberry Bay. They concur in the following:

<u>For Jidda permanent base operation (1 unit):</u>

1 Transmitter: AN/ART-13
1 Receiver: BC 348Q
1 Rectifier: PP-65/MPN-1A
1 Rectifier: PP-66/MPN-1A
Auxiliary equipment: speaker, microphone, cables, antenna

For field semi-portable operation (6 units):

1 Transmitter: AN/ART-13
1 Receiver: BC 348Q
1 Generator: Homelite 24-28 volt, 75 - 130 amp.
Auxiliary equipment: microphone, cables, speaker or headphones, antenna.

7. It has been decided to plan to make installations as itemized above as soon as sufficient equipment is at hand. Therefore, we require as soon as possible:

7 each Generators: Homelite 24-28 volt DC, 75-130 amp (1 spare)
2 each Rectifiers: PP-65/MPN-1A (1 spare)
7 each Antenna sets
Auxiliary equipment: cables, microphones, speakers and headphones.

It has been decided to retain all equipment received so far with the exception of four rectifiers (PP-66/MPN-1A), which should be returned to the Navy. Two rectifiers of this type should be retained, one for the Jidda installation and one as a spare. It is particularly requested that two Homelite generators be shipped immediately by FOA/Washington. It is also requested that auxiliary equipment such as microphones, cables and headphones and/or speakers be shipped via air cargo. With this limited amount of equipment a makeshift set-up can be made that will put the Jidda base and two field stations in operation. (See our TOUSFO 313, dated February 16, 1954.) Please cancel the shipment of four rectifiers: PP-65/MPN-1A.

Sincerely yours,

Thelbert F. Taylor, Acting Director
USA Operations Mission to Saudi Arabia

TFTaylor:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 23, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I am enclosing herewith the photographs referred to in my letter to you of yesterday's date relative to "Housing for Country Director." These pictures will confirm the statements made in that letter relative to the inadequacy of present quarters. A picture of Beit Bassam is also enclosed, from which it will be noted that it is far from being pretentious quarters.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encls. - 4
Photographs

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 23, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

Enclosed is one copy each of Table I and Table II on projections of estimates of sub-obligations and expenditures. Four additional copies of each are being transmitted today via airpouch. This material is requested in USFOTO A-63 dated February 6, 1954.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encls. - 2
Tables I and II,
as above

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

WBHazleton:o

(1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 23, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Dear Paul:

I refer to the last paragraph on page 2 of your letter dated January 4 relative to our revised 1955 budget.

I quite agree with you in that considerable consolidation of projects should be made where feasibility and advisability exist since our FY-55 budget as presented could well give the impression that we are spreading out too wide. In reality, this is not the case since there are only a few areas in this country where TA programs can be carried out. I would also like to point out that it is our practice wherever possible to have our technicians train several counterparts at the same time so that they, in turn, can be moved later on to other parts of the country to handle projects to be started at such places. Of course, these counterparts will be under the guidance of our technicians until such time as it is felt that they can continue on their own. This is particularly the case in the field of extension work.

Furthermore, we have made it known very clearly to each of the Ministries that in the implementation of projects we should be able to turn over each and every project to Saudi counterparts within two to four years after its inception, depending upon the nature of the respective project. By setting a time limitation, greater care will be exercised by the Saudi Ministries in the selection of counterparts for our technicians so that within the time above mentioned they will be qualified to carry on the work assigned to them.

You are quite right in that we maintain a very close contact with our Liaison Office and Mr. Husseini is well familiarized with all our activities. He is very capable, understands local conditions, maintains excellent Government contacts and consequently is in a position to be of considerable assistance to us in our dealings with the respective Ministries. With respect to the point raised in Washington by Mr. Husseini to the effect that "he seemed to have considerable question as to what could be accomplished by this one individual (extension specialist at Hofuf)", we might say that the extension specialist usually is assigned

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

a given territory, area or location and he is assisted, as required, by other technicians such as an agronomist, soil specialist, irrigation engineer, horticulturist, entomologist, animal husbandman, etc. You will therefore see that the extension specialist is not alone in carrying out a project assigned to him.

As you know, the original FY-55 budget which was sent to you prior to my arrival here totaled $1,669,000 (excluding administrative expense). I prepared a revised FY-55 budget totaling about $2,200,000 but before this budget was typed we received word from FOA/W to the effect that it would be well for us to combine TA and economic aid programs, with a total for both of about $5,000,000. This was done and forwarded to you last December.

We recently received a cable from FOA/W to the effect that FOA/W and State had agreed that TA programs for FY-55 should total $1,700,000. Consequently, we asked you to increase our original FY-55 budget to the extent of $31,000 by increasing Project #5 under Education; i.e., Dammam Industrial Training School.

We recently received from Norman Paul a cable which he sent us from Cairo under date of February 12 relative to a conference on FY-55 economic aid, which was held there with representatives from certain Arab states, Saudi Arabia and Iraq not being included. Since no mention was made in that cable regarding economic aid for Saudi Arabia for FY-55, and since we were not participants at that conference, we wondered whether both Iraq and Saudi Arabia were excluded from receiving economic aid during the coming fiscal year. The last paragraph of that cable implied that we would be receiving separate FY-55 programming instructions. Such instructions arrived here this afternoon. I hurriedly discussed them with Ambassador Wadsworth, since I am leaving for Beirut tomorrow morning to discuss the economic aid situation with Norman Paul. During such discussion I will give him the joint views of the Ambassador and myself, after which such joint FOA-State cable (USFOTO 269) will be answered; i.e., prior to March 5, with complete information requested therein.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

Taggart

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

January 4, 1954

OFFICIAL - INFORMAL - CONFIDENTIAL

Ans 1/23

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

With reference to the well drillers, events occurred too rapidly for us here in Washington to keep up with the situation. I hope my last good deed of the year was that of getting out USFOTO 186 leaving the matter entirely up to you as to what should be done. In other words, Embassy Despatch No. 191 indicated there were some difficulties between SAG and the Baker Company. If such were the case, we certainly didn't want to get drawn into them. We were also disturbed about picking up the drilling contract check since the Saudis had been carrying this part of the program. There seemed to be considerable change in attitude on the part of the Saudis shortly after the Embassy Despatch No. 191 had been written, although we still had the two questions outlined above. With this in mind, we got out USFOTO 185 which hadhardly left our desk when your TOUSFO 247 arrived. As complicated as the matter had become, it seemed to me the only way to handle it was to pass it back to you folks, which we did, after I worked all morning of the 31st getting concurrence on 186. It was impossible to handle the situation here due to the fact that we didn't know the circumstances in Jidda, we didn't have sufficient basic data to develop a contract, and to have developed and gotten a contract cleared would have taken several days. It is hoped that 186 will enable you to exercise judgment and to meet the emergency in the field. Please fill us in a little on exactly what occurred subsequent to November 19 and give us a copy of any contract you may have entered into with the Baker Company along with such other pertinent data as may be appropriate.

Reference to the authorization to negotiate the Special Economic Aid Agreement, I thought I had this one on the rails as soon as the notification of allotment went out to you due to having gotten to you previously authorization to develop project agreements as provided in Organization 18, dated September 1, 1953 and in view of the fact that USFOTO 143 had gone out. I assumed from USFOTO 143 that all that was needed was a short cable authorizing you to proceed. I found, however, that this cable required the approval of the Assistant Secretary of State since all general agreements must be approved by him. Reconciling the various questions raised regarding USFOTO 143 and

and subsequent cables has slowed this down. It is hoped the points raised by you can be straightened out and the authorization to proceed will have been received by you prior to the time this letter reaches you.

Mr. Husseini has returned to Washington upon completion of the water spreading training program in which he has been participating. He has two or three little problems which need to be worked out in the field. One of them has to do with the payment for his air passage. It seems that, based on his word, Air France issued him tickets for which they have not yet been reimbursed. Authorization for Husseini's travel was included in TECTO 64. As I understand from Mr. Husseini a copy of the travel order you issued him based upon this authorization will enable Air France to claim reimbursement.

Another matter with reference to Mr. Husseini, he was supposed to have gotten $100 travel advance before leaving Jidda. Apparently in the rush of getting off he did not receive this sum. In receiving subsequent payments on his grant, the Bureau of Land Management, who have been handling this program, have deducted this $100 and it will, therefore, be necessary to make this up to him when he returns to Jidda.

We know you have been interested in getting Bremseth on the job. Apparently this recruitment got up to the point where appointment by the Department of Health, Education and Welfare could have been made on an interim clearance. Mrs. Hobby, however, ruled that no appointments from her Department would be made until the full field investigation was completed. Resultantly, FOA has recently taken over the recruitment of Bremseth on FOA rolls. Last week I signed the job description which places this action in operation. I cant give you at this time any reading as to when Bremseth will be on the job but we want you to know he is in process.

I have finally had the opportunity to look over your revised 1955 program. It shows a lot of thought and hard work and, except for one thing which I shall discuss later, I think it is very good. I have passed it on to the technical staffs for their consideration and comments. When I get these, we will try to convince the Program Office that this is what should be done in Saudi Arabia. Time only will tell how successful we might be. The only question I had with reference to the program as submitted by you was as to whether or not you might be getting spread out a little bit too wide. I am of the opinion because of the size of Saudi Arabia and the difficulty of communications that it may be well to try to concentrate our activities in specific areas so that a real showing and demonstration can be accomplished. Once the demonstration has proved successful then the Saudis having gained experience perhaps with the minimum help from us can multiply projects and carry them on elsewhere throughout the country. In discreetly questioning Husseini on this he verified this contention. Among other things, he mentioned the Extension Specialist in Hofuf and he seemed to have considerable question as to what could be accomplished by this one individual. I do not know how able the Acting Liaison Officer may be but I would suggest that upon Mr. Husseini's return you check your program with him very carefully. While

not having been in Saudi I understand that, because of the conditions existing within the Government, the religious aspects of the situation, probably for other reasons, it is almost a must to keep closely atuned with the Liaison. This latter thought has not been prompted by anything said by Mr. Husseini but by other FOA people who have been in the field. I am sure you are doing this but I wanted to raise this word of caution for whatever it may be worth.

I happened to accidently meet Cy Fryer one day last week and he was quite surprised, as was I, that the program developed for the Asir by the IDS representatives while they were in Jidda in November had not been received in Washington, hence our telegram USFOTO 184. From here I am at somewhat of a loss to know how the Asir program is going to get off the ground unless we contract with IDS or some similar organization. Maybe you have been able to work out something else on this. At any rate would you give me a run down on it so we can be in tune with what you wish to do.

I realize there is a lot of stuff in this letter and perhaps it should have been broken into several communications. However, I have been sort of thinking out loud and hope it is not too much inconvenience for you to break out and take action on the various segments.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, and Africa Operation

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 23, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Dear Paul:

I refer to the last paragraph on page 2 of your letter dated January 4 relative to our revised 1955 budget.

I quite agree with you in that considerable consolidation of projects should be made where feasibility and advisability exist since our FY-55 budget as presented could well give the impression that we are spreading out too wide. In reality, this is not the case since there are only a few areas in this country where TA programs can be carried out. I would also like to point out that it is our practice wherever possible to have our technicians train several counterparts at the same time so that they, in turn, can be moved later on to other parts of the country to handle projects to be started at such places. Of course, these counterparts will be under the guidance of our technicians until such time as it is felt that they can continue on their own. This is particularly the case in the field of extension work.

Furthermore, we have made it known very clearly to each of the Ministries that in the implementation of projects we should be able to turn over each and every project to Saudi counterparts within two to four years after its inception, depending upon the nature of the respective project. By setting a time limitation, greater care will be exercised by the Saudi Ministries in the selection of counterparts for our technicians so that within the time above mentioned they will be qualified to carry on the work assigned to them.

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Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

a given territory, area or location and he is assisted, as required, by other technicians such as an agronomist, soil specialist, irrigation engineer, horticulturist, entomologist, animal husbandman, etc. You will therefore see that the extension specialist is not alone in carrying out a project assigned to him.

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Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

Taggart

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

February 21, 1954

Dear Paul:

By the last pouch I sent you two executed copies of the MiBaker/USAOM contract.

I have not written you sooner or oftener regarding this arrangement due to the fact that the contents of a letter could well be obsolete by the time it reached Washington, since there have been so many discussions and conversations regarding exploratory and production drilling, especially the former, without anything definite being decided.

As you know, the Minister of Finance originally agreed that the drilling equipment of SAG be turned over to Baker here so that, under the direction of Dr. Brown, drilling operations could be continued at Wadis Khulais and Itwad under the Community Development Program, and that the cost of such drilling operation be chargeable to the Community Development Fund. On this basis we cabled you and received authorization from you to use up to $25,000 from such funds to cover the cost of American personnel of Baker still in this country so that we could keep going with drilling operations and retain a skeleton crew (which could be expanded at any time for a full exploratory drilling program) under the direction of Dr. Brown. Such skeleton crew included one driller and we have since obtained one driller on loan from Aramco, the former working at Wadi Itwad and the latter at Wadi Khulais.

As you will have surmised from past communications sent to you on this matter, we are most anxious to retain control of exploratory drilling; in fact, of all exploratory phases of the water development programs, with SAG controlling production drilling, which involves land tenure, water rights, operation of compounds, etc. We have been talking with the Minister of Agriculture along these lines and feel that our ideas have not fallen on deaf ears, even though he has not as yet definitely agreed that exploratory drilling will continue to be under Dr. Brown's direction. He has agreed that production drilling be done under contract with an international drilling company such as Selby Drilling Company of Texas, a

subsidiary

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

subsidiary of Morrison-Knudsen (Mr. Charles Buck has been actively working on the Minister for a negotiated contract for such drilling). The Minister has been more preoccupied in setting up the Ministry and preparing his budget for the coming meeting of the Council of Ministers (scheduled to begin March 7) than he has in discussing projects.

In a conversation had with him several days ago, he agreed that we should continue with the present skeleton crew for doing exploratory drilling at Wadis Khulais and Itwad, the cost of which would be chargeable to Community Development funds, and requested that we continue to do so until the overall Water Development Project Agreement under Economic Aid has been executed. Furthermore, he wants Dr. Brown to be on his "Water Drilling Committee." So you can see that we are obtaining, apparently, our objectives --

1. retain control of exploratory drilling;

2. that production drilling be under contract with an international drilling company,

instead of having all drilling done by the new Government contractors - a German concern operating under the name of "Govenco" (Government Engineering Company). We pointed out in previous communications and at the Istanbul Conference, our objections to turning over to that company technical data accumulated over four or five years by our Natural Resources Division; also aerial maps, mosaics, etc.

We have estimated the additional funds which would be required for retaining the present exploratory drilling crew through the month of March. Such figure amounts to $12,500. Since the Baker contract expires February 28, we cabled you yesterday (Tousfo 322) requesting your approval to extend the present Baker contract for one month at a cost for retaining such crew not to exceed the above figure, so that exploratory drilling will not be stopped at Wadis Khulais and Itwad and so that the crew in question will not be disbanded. We hope that we will receive such approval very shortly. With your cooperation we feel that we can straighten out satisfactorily the drilling situation here.

I attach hereto draft of a letter which I propose to send to MiBaker, Inc. here amending the present contract to provide for a one-month extension. Of course, several executed copies of such amendment letter would be sent to you for your record.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encl.
Draft of letter
as above

(Draft amendment to w[illegible]r
resources contract)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

MIBAKER, INC.
Jidda, Saudi Arabia

Gentlemen:

In the interests of continuing a water development and exploration program in Saudi Arabia until a long-term agreement can be authorized and negotiated, I am pleased to inform you that the USA Operations Mission to Saudi Arabia is willing to extend through the month of March, 1954, the contract existing between us for the months of January and February 1954, without change except as indicated in the following:

1. ARTICLE I, paragraphs 1 and 2, are amended to read, "for the period March 1, 1954 to March 31, 1954."

2. ARTICLE I, paragraph 2, section "C", is modified to read, "Local purchases will not exceed $1,500 (One Thousand Five Hundred Dollars) for the month of March, 1954."

3. ARTICLE I, paragraph 3, section "a", will read, "A fee in the amount of $2,500.00 (Two Thousand Five Hundred Dollars) for the month of March 1954."

4. ARTICLE II, paragraph 1, section "a", is amended to read, "Cost of American Personnel, March 1954, $12,500.00."

5. ARTICLE II, paragraph 1, section "b", is amended to read, "Arab Labor, March 1954, $2,500.00."

6. ARTICLE II, paragraph 1, section "c", is amended to read, "Local Purchases and Miscellaneous Expenses, March 1954, $1,500.00."

7. ARTICLE II, paragraph 2, is modified so that the total amount of expenditure shall not exceed the sum of $16,500 (Sixteen Thousand Five Hundred Dollars), during March 1954.

8. ARTICLE III, paragraph 1, is modified to provide for payment of the fee of $2,500.00 (Two Thousand Five Hundred Dollars) for the month of March 1954, not later than the 31st of March, 1954.

9. ARTICLE VIII, paragraphs 1 and 2, are amended to provide for expiration of the contract on March 31, 1954.

If the above meets with your approval, I should appreciate it if you would indicate your acceptance by signing and returning to me ___ copies of this letter of acceptance.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

_____, for
MIBAKER, INC.

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
CONFIDENTIAL

February 21, 1954

Dear Paul:

I refer to your letter dated January 28th relative to the offer of International Development Services, Inc. covering a community development program for the Asir.

From my letter of January 24th you have noted that we do not feel that the IDS offer is in line with our thinking on community development work based on experience which we have already had at the Khulais Community Development project. I am certain that IDS is not fully aware of all the difficulties which will be encountered in backstopping such a project as it proposes to carry it out.

In spite of the fact that we had arranged with the Ministry of Finance to explain this community development work to the Emir of Wadi Khulais, and in spite of the fact that when we first went to that Wadi to study conditions there, the Deputy Director of Agriculture accompanied us and he, too, explained to the inhabitants of the Wadi our objectives, there was considerable skepticism and practically no cooperation. It has taken us about four months to establish ourselves as well as we have with the inhabitants of Wadi Khulais. It is my feeling, in which others such as Aramco, Mrs. Robinson and Sadek Husseini concur, that a team such as IDS proposes to send would find themselves facing a "closed door" situation in spite of efforts which might be made through the Emir to familiarize the local people of the purposes of such a team. Furthermore, we have found that inhabitants of the wadis in this country can "accept" only so many new ideas and/or activities at a time and that the overall development plan must be carried out in stages, beginning first with water development; then soil analysis for mapping out farmable areas; then the establishment of agricultural work, especially through an experimental farm in order to show farmers what can best be grown on their limited acreage; then preliminary health work, including sanitation, preparatory to the establishment of a health clinic, and then establishment of small schools. This step by step method is advocated by the Minister of Agriculture.

We have not

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

We have not discussed the idea of the proposal with any of the SAG Ministries for two important reasons: (1) the dollar cost of $365,000 is not available since, as you will note from our TOUSFO 298, the unsubobligated balance of our $500,000 contribution to the community development program is $247,000, and (2) under the Community Development Agreement we are obligated to assume U.S. technicians' costs in addition to the above-mentioned contribution, and therefore the presentation of the IDS project to SAG could well be interpreted as though we are attempting to have technicians' costs paid from the established contributions.

You will note from our TOUSFO 298 that we expect to subobligate the presently unsubobligated balance of $247,000 to the extent of about 65 to 70% during the balance of this fiscal year, and the remainder during the first three months of the next fiscal year for both the Itwad and Khulais Community Development projects. Activities are moving right along at Khulais and about the middle of next month I, accompanied by Drs. Brown and Edens, as well as several technicians from our Agriculture Division, will leave for Wadi Itwad in the North Tihama area (which offers much greater possibilities than the Asir territory), as well as technicians from the SAG Ministry of Agriculture, for the purpose of jointly preparing initial work plans for getting community development work started at that wadi. As soon as we have established ourselves there with agricultural work, health and then education work will be initiated. I might mention, too, that at both Wadi Itwad and Wadi Khulais our extension specialists will train several Saudi counterparts so that the latter, in turn, can be used later on for extension work in other parts of the country under the direction of our extension specialists.

I feel that you will agree in that the IDS proposal is not as feasible and attractive as it might appear to be.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:o

Taggart

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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

February 19, 1954

Dear Mr. Taggart:

In looking forward to the time when we can have a small well organized visual aids operation in conjunction with the Mission here in Jidda, Saudi Arabia, we have recently been trying to establish ways and means of locating a source of supply of appropriate educational films. In this connection, we have tried to establish a working agreement with the USIS Film Library in Beirut. They have sent us on loan for several weeks two or three moving picture films to start off with; however, they have suggested that it would be well for us to take immediate steps to establish a permanent basic library of useful educational and health USIA films by requesting FOA/W to procure these films from USIA-IMS in Washington. I do not know what a permanent library of this sort would consist of but obviously we should like to have as many useful films as it might be possible for us to secure to the end that we might be able to work out a scheduled program of showings without running short of subject matter material.

I am wondering if you would be kind enough to take the necessary steps to make arrangements for us to have this film consignment. I understand that there are a number of good films in Arabic available through private distribution centers in Cairo, Egypt. These films, I understand, are for sale only and the price ranges from $25 a reel up to as much as $75 a reel, depending on size and subject matter. Would it be within our province to purchase any of these films directly to be used in our visual aids program? The way is beginning to open for the use of suitable moving picture material in Saudi Arabia and we are anxious to keep step with these opportunities; hence, our particular interest in moving as fast as possible on this project at the moment.

Any assistance that you may be able to give us will be very much appreciated.

Yours sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

HJCorson/pa

Carson

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 18, 1954

Mr. Harland J. Corson
Director, U. S. A. Operations Mission
to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I would like to refer to your letter of January 31 with which you transmitted the memorandum prepared by Dr. Dolley expressing the views of USOM on existing contractual arrangements with the American University of Beirut.

I agree wholeheartedly with your point of view that, if we are ever to make effective use of AUB facilities for Saudi Arabians, we must obtain some relaxation of AUB's traditional University entrance requirements. Dr. Dolley's excellent memorandum has been reviewed by Dr. Andrus, Dr. Ash and Dr. Farnsworth of the FOA Education Staff and the points outlined therein will be brought up for consideration at the impending conference at Beirut.

Sincerely,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon & Syria Division
Near East, South Asia & African Operations

Mr Dolley
HJC

Taggart

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

February 18, 1954

Mr. Harland J. Corson
Director, U.S.A. Operations Mission
to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

As you know, the subject of the cooperative service type of agreement has been discussed in several of our communications. Your use of this type of agreement was, of course, approved by USFOTO 194 dated January 8. In this connection I am sure you will find interesting and useful the following comments which have been made by the FOA Controller on this type of agreement, based on your letter of November 28.

"I can appreciate the difficulty which Mr. Corson has in making sure that the Saudi Arabian government will have the cash at hand and be willing to spend it to implement jointly agreed upon projects as activity on the projects progresses. I do not think, however, that Mr. Corson's proposal is an entirely satisfactory way of meeting the problem.

"As I understand Mr. Corson's suggestion, he contemplates that when a project is agreed upon, all the funds committed by the U.S., as well as all of the funds which the Saudi government proposes to spend on the project, would immediately be deposited in a commercial bank account. While Mr. Corson does not specifically indicate how this account would be controlled, I assume that he would expect the U. S. deposits and the Saudi deposits to be merged in a single account and that expenditures therefrom would be subject to joint approval by a representative of the Saudi agovernment and by Mr. Corson. Basically, this arrangement is similar to the funding arrangements for servicio operations in Latin America, except that Mr. Corson contemplates that all of the funds required for projects would be deposited in advance, whereas the typical arrangement in Latin America is that the funds are only deposited by the U. S. government as they are required for expenditure by the servicio with provision for a reasonable working balance of cash.

"Assuming that an appropriate joint fund or servicio agreement were developed and adequate safeguards established relative to expenditures from the joint fund, I can see no objection in principle to the adoption of this technique in Saudi Arabia. I think, however,

that even though such a joint fund were established, there would be serious objections to approving the deposit of the entire U. S. contribution to the project in advance. Since presumably expenditures on any given projects will be made over a considerable period of time, perhaps as much as two years or more, there would seem to be little basic justification for the payment of a substantial amount of funds out of the U. S. Treasury months in advance of the time such funds are actually needed to implement a project.

"As an alternative proposal, I should think that project agreements might be written under which the Saudi Arabian government would agree to the establishment of a special fund in its own treasury accounts from which expenditures would be made to implement the project, just as the U. S. Government by its allotment and obligation process reserves in special accounts the funds to meet its commitments. I realize that under such an arrangement the Saudi Arabian government might still fail to fulfill its commitments, but I should think there is considerable doubt as to whether or not we can have a really successful program in Saudi Arabia or anywhere else if we must operate on the assumption that we cannot rely on specific and definite commitments by a host government."

Sincerely,

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon & Syria Division
Near East, South Asia, & African Operations

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USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

April 7, 1954

Dear Paul:

Supplementing my letter of February 18th, concerning the survey of the Hejaz Railroad:

Mr. Zahed only returned to Jidda this week, and I am enclosing herewith copy of the official report of the survey as submitted to the Joint Committee for the rehabilitation of this railroad composed of representatives from Jordan, Syria and Saudi Arabia.

We have been informed that there will be no action taken for the present in connection with restoring the railroad.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl.
Report - Reconnaissance of
Old Hejaz Railroad

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson/erm

MEMORANDUM:

The following is a report on the reconnaissance made over the Hejaz Railroad from Medina, Saudi Arabia to Ma'an, Jordan, by the Committee set forth below:

Mr. Bedia Oulaby, Syrian Representative
Mr. Fuad A. Zahed, Saudi Arabia Representative
Mr. C. T. Warren, Saudi Arabia Representative

In addition to the above Committee, the following persons made the reconnaissance with the Committee at the request of the Saudi Arabian Government:

Mr. E. F. Sinclair, Chief, Transportation and Communications, Point IV
Mr. Glen F. Brown, Chief, Natural Resources, Point IV
Mr. C. E. Buck, Consulting Engineer

The party left Jidda by plane on Saturday morning, January 30, 1954, and proceeded to Medina and from there travelled by motor convoy to Ma'an, Jordan, arriving Saturday, February 6, 1954.

The Hejaz Railroad is located in mountainous sections generally following the old pilgrim road. It follows along the wadis frequently crossing rough rocky terrain and flat gravel plains.

The railroad has deteriated due to nearly 40 years of non-use and lack of maintenance. Many severe washouts have been caused by violent desert storms. In many places the entire roadbed for long distances has been completely destroyed, for example, a section south of Hadiyah. At many of the washouts no culverts or bridges were built and those that had been constructed were too small to take care of the tremendous water flow resulting from "flash floods". Washouts at several locations where the flood channels changed will require construction of new culverts or bridges, and many will have to be repaired.

There were remarkably few rock slides on the track along the route, but sand was found to be 20 to 30 feet deep in some places where sand dunes had moved on to the track. Money has been provided in the estimate to cover the stabilization of sand dune areas.

A considerable part of the railroad will have to be rebuilt due to damage to the track from corrosion. Approximately 55 kilometers of track from Ma'an has been removed by the Jordan Government for use in the branch line to Nagab.

The buildings along the railroad can be restored to serviceable condition with a minimum amount of expenditure. However, the stations located in Jordan will have to be newly constructed. It will be necessary to provide pumps, power plants, etc. for fuel and watering stations along the route.

It is anticipated that radio communications will be provided for the length of the railroad.

To arrive at an accurate estimate of quantity and cost a detailed survey should be made in order to compile the necessary detailed information before any

other steps are taken with respect to the restoration of this railroad.

No thought was given to a relocation of the present line. However, it was observed that there may be one or two places where the relocation of the line will make for better and more economical operation. This, however, can be determined after the survey has been completed.

Eleven wells were noted along the route and samples of water were collected for analysis. Pumps could be installed easily in these wells, the depth to water ranging from three to seventy-two feet beneath the surface of the land. Water in the hard crystalline rocks south of Al 'Ula is scarce, and water for the railroad must come from alluvial gravels in Wadi Hamda and tributary wadis. The larger supplies of water lie in the lower sections of the sandstone at Al 'Ula and northward. Artesian water at Tebuk has possibilities for agricultural development.

In addition to the water, fragments of an iron-bearing formation, a limestone series, and sedimentary beds of an age comparable to the phosphate beds in Jordan were seen. Studies of these formations may justify development of raw materials to be hauled on the restored railroad.

In restoring the Hejaz Railroad to normal operation it will greatly improve the economic conditions in all of the countries concerned, especially in Saudi Arabia, as it will be possible to ship fresh fruits and vegetables, as well as other commodities, into the country which will help in building up the standard of living as well as linking Saudi Arabia with other countries by means of a rail route. This will be of great importance to the Moslem world as a means of transportation to the Holy Cities of Medina and Mecca.

No consideration has been given in the estimate for new engines or other rolling stock to be used on the line. However, it is strongly recommended that serious consideration be given to the use of deisel locomotives.

It is estimated that the cost of rehabilitating the Hejaz Railroad from Ma'an, Jordan to Medina, Saudi Arabia, is approximately 40,000,000 Syrian pounds, this depending on a detailed survey of drainage areas which will determine the number of bridges and culverts required.

In considering the present investment in the railroad, the Committee feels that the above expenditure for restoration of the line is justified.

Dated at Damascus, Syria, the 11th day of February, 1954.

(Signed) Bedia Oulaby
(Signed) Fuad A. Zahed
(Signed) C. T. Warren

Taggart (2)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

February 18, 1954

Dear Paul:

Following my letter to you dated February 1 relative to a preliminary survey of the Medina-Ma'an Railway which, as you know, was destroyed during World War I, Mr. E. F. Sinclair, Chief of our Transportation and Communications Division, who accompanied the party on such survey trip, has returned and has handed me the attached memorandum covering findings. As soon as Mr. Fred A. Zahid, Chief Engineer of the Ministry of Communications who led this party, returns to Jidda, I will get from him a copy of the official report and will forward same to you immediately.

It is interesting to note from the attached memorandum that the above party found the line in fairly good condition in spite of the fact that it has not been used or maintained for approximately forty years; also, that their estimate of the cost of restoring the line is in the neighborhood of $11,500,000 to $12,000,000.

At the time of sending you the official report on the above-mentioned survey, I will give you any additional information which may be available at that time.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl.
Report - Inspection Trip of
Old Hejaz Railroad

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 16, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Dear Paul:

Enclosed are two copies of the Agreement between the United States of America Operations Mission to Saudi Arabia and MiBaker, Inc.

As soon as the existing situation is clarified, I shall write you, likely within the next day or two.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encls. - 2
Contract - MiBaker, Inc.

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson:o

Taggart

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

February 14, 1954

Dear Paul:

Following my letter to you dated February 10 relative to the fertilizer plant project in this country, you will be interested to know that I discussed this matter at length yesterday with Garry Owen of ARAMCO here. He promised to check through his recent correspondence on this matter and to try to give me some figures which might be of interest to anyone considering the establishment of an industry in Saudi Arabia which would call for the use of appreciable quantities of flare gas.

I have just received a memorandum from Garry Owen which I transcribe below:

"With further reference to the fertilizer project, I find a note in a recent letter from our New York office stating that a Mr. Bletcher, of the Department of Commerce, recently told our people that the due date of the call for bids has been extended to 1 March 1954 from 1 February 1954, and the size of the plant has been cut to 168,000 tons of ammonium sulfate instead of 400,000 tons per annum. Bletcher also made the comment that his discussions with financial people have indicated that the possibility of the Government getting the requisite money for this project is nil.

"The call for bids stated that 18 million SCFD (Standard Cubic Feet Day) high pressure gas and 8 million SCFD low pressure gas will be available from the Qatif Field. Our production people tell me that we cannot guarantee more than 11 million and 3 million, respectively, from Qatif at the present time, and that these figures will drop off over the next ten years to 5 million and 1½ million, respectively.

"The call also states that a reserve source of natural gas will be the Dhahran Field. I am told that there will be no gas available from the Dhahran Field.

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

"The only point I want to make is that before anyone goes ahead with serious consideration of a fertilizer or any other type of plant that requires an assured supply of natural gas, I think a careful review should be had with our production people regarding the potentially available amount of gas, its characteristics, and other technical problems."

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 10, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I refer to your letter dated January 28, relative to your request for Dr. K. K. Aalto's fertilizer report.

I enclose herewith copy of such report.

I have been informed that a report of recent date has been prepared by McGregor & McNaughton, Petroleum Engineers for the Government of Saudi Arabia, in which the use of flare gas is dealt with. I understand that from that report the quantity of flare gas available for industrial use is far short of that which was previously reported, since much of this gas is required for pressurizing. I am endeavoring to obtain a copy of the McGregor & McNaughton report and hope to be able to send it to you within a few days.

Sincerely yours,

HJC

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encl. - 1
Report, Dr. K. K. Aalto
September - 1953.

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

January 28, 1954

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy.
Jidda, Saudi Arabia

Dear Harland:

As you know, FOA has a contract with the National Academy of Sciences to make a survey and a report covering the usages of gas in Saudi Arabia, looking specifically to fertilizer and other industrial development. The head of the National Academy of Science Task Force, Dr. Manion, recently held a discussion with United Nations officials in New York. Among other things he discovered that the UN specialist on fertilizer, Mr. K. K. Aalto, made a survey and presumably filed a report with the SAG about a year ago. It would be very useful to the NAS under their contract to FOA to have access to a copy of Mr. Aalto's fertilizer report. Would you please try to obtain a copy of this report from the SAG and forward it to us so that we may make it available to the NAS in order that they may have at hand all available material and thus be in a position to render a more complete report than if this material were not available.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, & African Operations

Ans 2/10

Logged 2/4/54

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 11, 1954

PERSONAL

Dear Paul:

I refer to the last paragraph of USFOTO 242 of February 9 -- joint FOA-State message re Economic Aid Agreement.

Ambassador Wadsworth has suggested that you review his Embassy Despatches Nos. 265 and 266 - Subject: Military Aid - as these will serve to answer the query mentioned in the last paragraph of the above-mentioned cable.

As I informed you by cable today, I will meet Norman Paul in Beirut between the 21st and 23d of this month to discuss in detail with him the Ambassador's, as well as my own, views in this connection.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson:o

Taggart

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 10, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I give you the following comments on the various questions raised in your letter of January 25.

In a separate letter going forward by this pouch I have informed you as to the close relationship between this Mission and the Ministers of the three new Ministries; i.e. - Communications, Agriculture and Education. We do not anticipate any difficulty in developing project agreements with the respective Ministries covering technical assistance but no agreements can be signed by the Ministers until they have received authority to do so from the Council of Ministers after their review of each project. The next meeting of the Council of Ministers is expected to be held the latter part of next week, at which time we expect a number of projects now in the hands of the Ministers to be reviewed by the Council. This having been done, we do not expect that these projects can be gotten underway until sometime the latter part of March; that is, after the 1954 SAG budget has been approved and funds made available to the respective Ministries. In order to save time and get our funds obligated and/or subobligated without any unnecessary delay, we are arranging with the respective Ministries that as soon as our project agreements are signed, we will "pick up the chits" until they have received their allotment of funds under their 1954 budget, when they will "pick up the chits", until the proposed proportion of expenditures corresponding to each Government under each project will have been established.

The six Jeeps which arrived here a month or so ago have all been cleared by Customs and are now in service.

Not only are we extremely handicapped by not having adequate secretarial assistance, but also by reason of our not having been furnished with personnel required for our 1954 program. If relief is not forthcoming shortly and we all here are overloaded with work, which necessitates working long hours, I am afraid that with the approach of hot

weather

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

weather some of our personnel will "crack up." I sincerely hope that this situation can be corrected soon as was promised me by General Riley and by Mr. Rupert at Istanbul. However, practically two months have passed since that time and we are still in the same position as we were before. Needless to say, we will do all we can to keep up with the work here, but the present situation should not be allowed to continue. We have written and cabled many times regarding this critical personnel situation but the results of such efforts have not borne fruit so far. Of course, I realize what Personnel of FOA/W has to contend with in recruiting personnel for this Mission, and yet I cannot understand why no more positive results have been obtained than has been the case during the past six months. We ask for recruitment status reports but get no reply. We still do not know what happened regarding the recruitment of Meistrell nor whether another is being recruited to replace him - if he took some other job. We still are at a loss as to what has happened to Bremseth for our Education Division. We still do not know when or if we can expect Miss Confers. We have heard nothing regarding the recruitment of the Iranian Doctor since we gave Mission clearance. We still do not know whether a replacement for Mr. Ferguson, Chief of the Health and Sanitation Division, is being recruited. We do not know what is being done regarding the recruitment of an adult and general education specialist, a highway engineer, and an electronics engineer - all requested some time ago. So you can see why we feel personnel-wise "behind the sand curtain." We hope that Mr. Smith, who will be Chief of our Public Administration Division, will arrive here soon as his services are urgently required, especially at this time for assisting the new Ministers in setting up their administration. We also hope that we will have shortly a replacement for Mr. Kennedy, Tariff and Customs Specialist; also a statistician (we now understand one is being recruited by the Bureau of the Census); as well as a replacement for C. Verne Stewart, Agricultural Extension Specialist.

We are looking forward to receiving comments and suggestions on the 1955 revised budget after the technical staff of FOA/W have completed their review of it. As you know, we followed your suggestion and combined technical assistance and economic aid since there is so little difference here in the nature and implementation of both types of projects. We informed Riggs McCormick at Istanbul that if deemed necessary to separate our revised 1955 budget into technical assistance and economic aid, he could take out the last project or two of each Division and that after doing so the technical assistance budget total would be $2,128,000, which was the total of our first revision of the original FOA/W 1955 budget as was submitted to you September last. Our first revised 1955 budget was not sent to FOA/W, since about the time we had it ready for typing we received your suggestion to combine technical assistance and economic aid. We then added, after lengthy discussions with our Division Chiefs, the last projects under each Division.

In answering USFOTO 234 of February 5, we will give revised FY-55 figures, in compliance with paragraph 2, along the lines above mentioned; that is, with the revised budget totaling $2,128,000.

In a separate

In a separate letter which we are sending you by this pouch we will give you our views on the implementation of the Community Development Agreement covering both Wadi Khulais and Wadi Itwad.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

Taggart (1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 10, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

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Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

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Sincerely yours,

HJC

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

January 25, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Ans 2/10

Dear Harland:

This is to acknowledge receipt of the December Monthly Reports on Mr. Dolley, Mr. Brown, and Mr. Edens.

It is gratifying to note that the SAG has sufficiently recognized the importance of Agriculture and Education to have established a Ministry for each of them. This action should be of considerable assistance to the furtherance of its objectives. It is further noted that with the 54 funds available, even though late, difficulty is being experienced in arranging project agreements with the SAG. It is hoped this situation will be alleviated. It is hoped also that the vehicles for agricultural technicians will be released from Customs. This of course ties into the tariff ban on Willys products because of their relationship with Israel. However, it would seem to me that since these are U.S. Government vehicles that the general agreement with the SAG for technical assistance ought to govern.

We can full well recognize the handicap which the shortage of secretarial assistance under which Mr. Edens and others of the Mission are operating. There is some alleviation of this problem in process and you may rest assured that we will continue to press for the complete filling of secretarial vacancies.

It was gratifying as well to note the leadership you have been giving the various Chiefs of Mission in the analyzing and carrying out of their activities. The technical staff are still reviewing the 1955 revised program recently submitted by you. As soon as they have completed this operation their comments and suggestions will be forwarded to you.

It is also noted that considerable thought has been given and work has been done on the Community Development Program. We are at a complete loss here as to why we have not received the program worked out with you by the International Development Service representatives. Upon their return from the area they informed us that they had worked out a proposal which we understood was agreeable to you and that you were

logged 2/9/54

forwarding it promptly to us for our consideration. This was over a month ago and in spite of several communications to you we have had no word with reference to this program. If you concur with the program for an Asir development as prepared by the IVS representatives, we should move forward on it at the earliest moment. On the other hand if you are not in concurrence with the proposal, would you let us know and submit alternative proposals in order that appropriate action may be initiated.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

Taggart (1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 10, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I refer to your letter dated January 28 relative to special economic aid programs. As you know, project authorizations under special economic aid comprise the following:

1. Water development
2. Abha-Taif Road
3. Abha Dam
4. Improvement of Port of Gizan

I have informed you in another letter going forward by this same mail that with the aid of Robert H. Smith, Vice President of Aero Service Corp., and Charles E. Buck, Vice President of International Engineering Company, both of whom are presently in Jidda, we have assembled practically all of the basic data, information, cost estimates, etc. for the above-mentioned projects as they are now envisaged. I also informed you in the same letter that as soon as Dr. Glen Brown and Mr. Ed Sinclair return from their present railway survey trip, the first draft of each of the above project agreements will be prepared and presented to the respective Ministers for discussion.

The Water Development Program will involve five major stages; that is - 1) aerial photography, 2) compilation of maps and mosaics, 3) ground geology, 4) exploratory drilling, and 5) productive drilling. Stages 1 and 2 will definitely be carried out under contract. Stage 3 may be carried out either by a group of individually contracted geologists working under the direction of Dr. Brown, or under a contract with USGS (we prefer the latter if a mutually acceptable contract can be negotiated). Stage 4 should be contracted, although the Minister of Agriculture has not definitely decided in this connection. Stage 5 will be contracted as agreed upon by the Minister of Agriculture. (Either the same contractor can be used for Stages 4 and 5 or separate contractors can be used. We prefer the former and hope to be able to convince the Minister accordingly.)

The type

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

The type of agreement that we will propose to the Minister of Agriculture will be that of Cooperative Service, with one administrator appointed by this Mission handling all exploratory phases of the program; that is, stages 1 through 4, and the other administrator appointed by the Minister of Agriculture handling stage 5, since we do not want to become involved in land tenure, water rights, operation of four drilling compounds, and phases of activity relating to productive drilling.

We cabled you recently inquiring as to the status of the FOA/USGS contract and from your reply we gather that little or no progress has been made in this connection during the past few months. If FOA/W and USGS would like Dr. Brown and myself to try to work out a proposed agreement based on conditions as we see them here, please let me know and we will give it a try. At any rate, we hope that an FOA/USGS contract will be executed soon which will be mutually satisfactory.

At the Istanbul Conference I mentioned to Norman Paul and the others with him that in my opinion the million dollars under project authorization for the Abha-Taif Road could best be used for "road planning and surveys." By this I mean that we would do engineering on roads of greatest interest to the Ministry of Communications, furnish that Ministry with equipment for a road materials testing laboratory, and for covering the cost of a survey for rehabilitation of the Medina-Ma'an Railroad. The Minister of Communications is in accord with these ideas and as soon as we know exactly on what roads he wants engineering work done, we will prepare a revised project authorization and forward same to you to replace the one you now have. All the engineering work above referred to, as well as the railway survey, will be done under contract and the equipment for the road materials testing laboratory will be purchased in the United States. We do not know at this time of what the amount of the host government contributions will consist, nor the purposes for which it will be spent. Negotiations with the Minister on this project will reveal this information.

The construction of the irrigation dam at Abha will be done under contract, towards the cost of which we will contribute up to $250,000. The Minister of Agriculture has indicated that he might want to have another irrigation dam constructed at Akrima (near Taif) and if he decides favorably in this connection, he would like our contribution above cited to be divided between the two works.

The improvement to the Port of Gizan will also be done under contract, with the U.S. contribution of $100,000 being made towards the cost of such work.

Of course, I have discussed a number of times with Ambassador Wadsworth these economic aid projects but a recent development here has led the Ambassador to feel that the time is not now ripe to present an economic aid agreement to the Saudi Government for approval. I wired Norman Paul under date of February 2d (see our TOUSFO 290) to this effect, and transmitted to him the Ambassador's wish that Paul pay him a flying visit from

Beirut

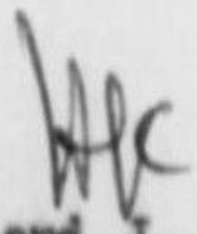
Beirut so that the Ambassador could discuss with him the recent developments and his reasons as to why he feels the Saudis may refuse to sign at this time an economic aid agreement, but instead would prefer to have economic aid projects carried out under the Technical Assistance Agreement.

We have just received FOA/W's reply to TOUSFO 290 (USFOTO 242) stating in substance that it will not be possible for Paul to accept Ambassador Wadsworth's invitation to come to Jidda but will be glad to meet with a USAOM/Embassy representative at Beirut to discuss this matter. To give you some idea as to the nature of the "recent development" on which Ambassador Wadsworth bases his contentions, I might suggest that the status of military aid to Saudi Arabia be discussed with Mr. Fritzlan of the Near Eastern Division of the State Department. In all probability, the Ambassador will want me to meet with Paul in Beirut about the 21st or 22nd of this month to discuss this matter with him. After discussing with Ambassador Wadsworth your USFOTO 242 which just arrived, I will cable you the USAOM/Embassy decision with respect to a meeting with Mr. Paul at Beirut.

As mentioned before, we are going ahead with preparation of a draft of agreement corresponding to each project under economic aid and immediately a decision has been reached as to how such projects should be set up in relation to the Saudi Arabian Government; that is, under what type or form of agreement they should come, we will present such drafts and start negotiations, at the conclusion of which full details will be furnished you so that the contracts covering work to be done under contract as mentioned above may be negotiated. In all probability, projects 2, 3 and 4 listed at the beginning of this letter will be carried out under a simple agreement, rather than a Cooperative Service type of agreement.

I hope that I have given you herein the information which you require regarding the economic aid projects for Saudi Arabia.

Sincerely yours,



Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

January 28, 1954

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

ans 2/10

Dear Harland:

It is realized that allocation of funds for both the regular and special economic aid programs was much delayed. It is also realized that negotiations with the SAG for effective utilization of these allocations would require some time. No doubt the arrival of the Ambassador has had considerable to do with the progress of these negotiations. No word has been received as to what progress is being made in the negotiation of agreements. Neither have we received any information as to how such agreements would be implemented, whether contract or force account. With only five months remaining in the fiscal year would you please bring us up to date on the progress being made in the program and project negotiations, how you expect to implement the projects, and for such of these as will be executed under contract, provide us at the earliest moment with sufficient details that contracts can be negotiated soonest.

This is the last of a series of four letters I have dictated to you this morning. As I look back over them and, particularly since they will undoubtedly arrive in your office simultaneously, they may give you the impression that we are being overly critical. I should like to point out that these communications should not be viewed in that light. These are all matters which happen to be on my pending list, I happen to have a morning free which I could use for dictation, and of greatest significance, I believe we need to have a greater exchange of information in order that we here may know the progress being made in the Saudi program. Therefore, I would appreciate it if you would accept these letters in the spirit in which they are forwarded.

Sincerely yours,

Paul

Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, & African Operations

Logged 2/7/54

Taggart

(1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 8, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

In order that you may be aware of the progress which, in spite of the odds against us, we are making with respect to the programs/projects under FY-54 technical assistance and economic aid, I will send you twice a month a statement showing the status of each project as per the one attached corresponding to February 1, 1954. On Wednesday next we have arranged for a "dress rehearsal" meeting with Prince Sultan (MinAgri) to go over, what I hope will be the last time, all the agricultural projects which have been on his desk for some time. Also, a five-year plan which Dr. Edens has prepared and presented to him for his consideration, as well as a work plan covering community development work at Wadi Khulais.

Also on Wednesday next we have another "dress rehearsal" meeting with Prince Abdullah Faisal (Minister of Health) when we hope to conclude pending matters pertaining to the quarantine station, immunization program and vaccine laboratory, and Public Health library.

After a number of meetings with Prince Talal (MinCom), we have reached a complete understanding on the Dammam Industrial Training School and a corresponding agreement is ready for presentation to the coming meeting of the Council of Ministers for approval and subsequently for signature by the Minister.

The Jidda Commercial School Project has been agreed upon and is ready for presentation to the coming meeting of the Council of Ministers.

As soon as Prince Mischal, Minister of Defense and Aviation, returns to Jidda, we will review with him the VOR installation project which we have prepared.

You will appreciate from the status report attached, also from the above comments, that we are making progress with our technical assistance work and hope that after the aforementioned "meeting of the Council of Ministers", probably next week, we will have most, if not all, of our projects executed and can start work on them.

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

I am pleased to mention that all three new Ministers (Talal, Sultan and Fahad) have accepted quite fully our offer to help them set up their new Ministries, select personnel and coordinate activities. Dr. Dolley has prepared an excellent organization chart, has written up job descriptions covering the Ministry of Education, and has presented this material to Prince Fahad, Minister of Education. Dr. Edens has done the same thing for Prince Sultan. Within the next week or ten days similar material will be presented by Dr. Dolley to Prince Talal. Needless to say, this assistance to the new Ministers furnished by Dr. Dolley and Dr. Edens has tended to establish this Mission with these Ministers as it should be and which is in accordance with our policy. We do not lose an opportunity to build up each Division Chief with the Minister of his counterpart agency. Such a policy is already paying dividends. Of course, the Director maintains contact with each Minister but not of the "day to day" type. All Ministers with whom we have dealings fully understand now the objectives of this Mission and particularly that it is not a "give-away" outfit, so that when discussing projects with them and their assistants a clear understanding of these facts is evident.

With respect to the economic aid projects, practically all of the pertinent data, estimated cost figures, etc. have been prepared for each of them and as soon as Messrs. Brown and Sinclair return from their present railway survey trip a draft of each project agreement will be prepared so that as soon as the economic aid has been established between the U.S. and the Saudi Governments, such drafts will be presented to the respective Ministers and negotiations thereon may be initiated.

We do not know how we will be able to handle both the technical assistance and economic aid projects with the limited personnel which we have, but we will do the best we can with what we have to do with.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encl.
Status Report

HJCorson:o

February 1, 1954

STATUS OF PROJECTS

Technical Assistance

Already Approved

Maternal & Child Health Center
Quarantine Station

SAG Approval expected soon

Jidda Commercial School
Dammam Industrial Training School

In Hands of SAG for Approval

Livestock Improvement Farm
Range Management Plots
Land Drainage and Experimental Plot
Public Health Library

To be presented this week

VOR Installation
Establishment of Meteorological and Stream Gauging Stations

To be finished for presentation to SAG

Immunization Program and Vaccine Laboratory
Mineral Geological Survey

Yet to be discussed with SAG

Elementary School Planning
(Note: Minister not yet ready to discuss this project.)

Economic Aid

Being finished for presentation to SAG

Water Development

Being ~~prepared~~ studied for presentation to SAG

Abha Dam
Road Planning and Surveys

To be prepared

Improvement Port of Gizan

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USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

February 8, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

We enclose one original in English and one original in Arabic of Project No. 1 (MATERNAL AND CHILD HEALTH CENTER) on Health and Sanitation, which has been executed by the undersigned and Prince Abdullah Faisal, Minister of Health of the Saudi Arabian Government.

It is expected that the Minister of Health will sign a lease contract within the next few days on a property suitable for a maternal and child health center, and that shortly thereafter such center will be dedicated and opened to the women and children of the city.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encls. - 2
As above

Mr. Paul Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

HJCorson:o

Taggart (1)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

January 31, 1954

PERSONAL

Dear Paul:

I suppose you have wondered many times why you have not heard from me oftener than you have, but I can honestly say that with all I have had to do (usually 10 to 11 hours a day), plus an acute shortage of staff or assistance here, time has been spent in overcoming old habits and loose practices amongst the personnel here, rewriting and preparing budgets, necessary trips in the country, plus a trip to Istanbul -- then during the last month, work on projects and programs.

As we have informed FOA/W on many occasions, we have only one secretary for 26 people which, as you can well imagine, is a most difficult situation. Furthermore, I have absolutely no one to give me assistance in the work of this office, which means that when I am not here, everything piles up and it always seems that I am trying to get out to Washington the most urgent matters.

I am sure that you fully appreciate what I am up against here but aside from finding it difficult to keep up with the work here (having had only a part of four days for relaxation ever since I arrived in Jidda), I feel gratified with the results obtained. I only wish you could pay us a visit in the near future to be able to appreciate the change which has been brought about here. Of course, there are things still to be done since it is not to be expected that everything can be accomplished from one day to the next where human nature is concerned.

Kind personal regards.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration
Washington 25, D. C.

HJCorson:o

(2)

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

January 31, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

Several weeks ago the narrative copies, as well as the specification copies of the railway survey prepared by the International Engineering Company covering the proposed Riyadh-Medina-Jidda Railroad were received here by Mr. Charles Buck of the above company. Two copies of these books were presented to H.E. Shaikh Abdullah Sulaiman, Minister of Finance, on January 21 by the undersigned, together with a transmittal letter, as per copy attached.

These copies were not presented sooner to the Minister of Finance since our new Ambassador here - George Wadsworth - had asked me to go with him to Dhahran (where the King was visiting at the time) while he presented his credentials, and it was felt that that would be an excellent opportunity for the Ambassador to hand a copy of both the narrative and specification books to the King for his information. This was done and the impression created was well worthwhile. We might also state that the Minister of Finance was highly pleased to have his copies of the survey report. He has asked for additional copies and Mr. Buck is arranging to have these sent to him by the International Engineering Company through this office. Some of these copies will be passed on to HRH Prince Talal, Minister of Transportation and Communications.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encl. -
As above

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

January 24, 1954

Dear Paul:

We refer to your USFOTO 208 relative to the offer made to this Mission by International Development Services, Inc. during a visit to Jidda of Messrs. Fryer and McLawhon. In reply, I sent you today our TOUSFO 274 in which I informed you that we do not feel justified in accepting the offer of IDS in view of the fact that we are satisfied that the Wadi Itwad area in the North Tihama offers much greater possibilities for our community development work (which we have already started) than would the mountainous Asir area. It may be that after the construction of the Abha irrigation dam we may be considering a community development project in the latter area.

For your information only, I was not impressed by the IDS offer. Messrs. Fryer and McLawhon obtained facts and figures from personnel of this Mission, plus facts and figures gathered from a book entitled "Arabian Highlands", and prepared their offer based on such information without ever having visited the area for personal appraisal of work to be performed and steps required for carrying out such work. Furthermore, it would seem to me that, administratively speaking, this Mission would have almost as much work in connection with the Asir project as it would with the Wadi Itwad project which we are doing ourselves. I do not see how even any time can be saved by using IDS. We certainly can do just as good a job as IDS, having all concerned here in the country, and at much lesser cost. I feel that in countries where no USA Operations Mission is established, IDS could do a good job.

I enclose herewith for your information and files the original IDS offer as was presented to me.

Yours very sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Encl.

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

USA OPERATIONS MISSION TO SAUDI ARABIA
American Embassy - Jidda

January 31, 1954

OFFICIAL - INFORMAL
CONFIDENTIAL

Dear Paul:

This refers to your USFOTO 207 dated January 21 relative to the activities of our Natural Resources Division and an over-all work plan under the economic aid water development program.

We attach hereto memorandum which Dr. Glen F. Brown, Chief of our Natural Resources Division, has prepared in response to your above-cited request.

We might mention that we are now in the throes of preparing the first draft of an over-all water development project agreement for submission to HRH Prince Sultan, Minister of Agriculture. We will keep you posted as to developments in this connection. Of course, both the Minister and we are most anxious to get this program underway as soon as possible.

We shall appreciate having your comments on any points raised in Dr. Brown's reports attached hereto.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encls. -
As above

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

(Original of report & memo. sent to FOA/W). Also map.)

HJCorson:o

Action Copy: ~~Corson~~ (1)

TELEGRAM RECEIVED

FROM: SECSTATE

DATE: JANUARY 2016452/1954

NO: USFOTO 207

CODE: CONFIDENTIAL

RECEIVED: JANUARY 210647

Corson letter December 31.

Submit soonest Brown report USGS Activities and over-all work plan economic aid water development program.

RAND

lms

DIST:

Ambassador
FOA - Action — Info Copy: Taylor
McCullars
File

CONFIDENTIAL

Taggart 2

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USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

OFFICIAL - INFORMAL
UNCLASSIFIED

January 9, 1954

Dear Paul:

I wish you would refer to your cable USFOTO 190. I am in a quandry as to what you want in the way of an application. We have never asked a high government official whom we wanted to send to the States for professional conferences and visitation to fill out the regular Form 27 and get all the documents required of a regular training grantee. In fact, upon inquiry on the subject last spring in the case of Chief Tewfic we were advised that this should not be done, a decision in which I am in full accord because a person sent on a leader grant should be invited since we pay all the expense rather than requesting and applying for the visit on a gratuity basis.

The man in question has just been elevated to Assistant Deputy Minister since my message requesting the leadership grant and I am sure it would not be proper to ask him to do the many things required in a type "C" training application, especially since it is not training he would be interested in.

It may be that there are other forms that are to be used. If so, we do not have any. I was told there were to be new forms sent out but up to the moment the only ones we have are the old 27 forms.

I shall try to supply the additional information requested but the application form 27, the only form we have, can be waived this time. Since this is a very high government official with virtually the entire responsibility of the Ministry's operation on his shoulders, he must have more than several weeks notice in order to delegate his responsibilities before leaving. I hope a decision can be made as soon as possible on the strength of information that is at hand.

Security clearance has been secured. A copy of the Security Memorandum from Mr. C. R. Nelson, Post Security Officer, American Embassy, Jidda, is attached. Although I am not familiar with the Railroad Institute of American University, it does sound as though it would be the logical place for this official, in all events, to spend some or all of his time. He may not be able to stay away from his post of duty more than three or four months in

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

which case it would not seem proper for him to spend it all in the institute; however, I have no idea as to how long the institute runs. Maybe it is only for a few weeks, in which event he should by all means attend the full session. It would, in addition to providing informational benefits, be a wonderful place for him to meet the railroad officials of the country. Through these contacts a special visitation program might be most satisfactorily developed.

This official will have complete charge of the Saudi Government Railroad upon his return to Arabia. Please look up the November 14 issue of the Saturday Evening Post for a description of this railroad. Our USAOM completed a railroad survey of a proposed road between Riyadh and Jidda last spring. If more railroads are built in Saudi Arabia, Abdulla Aziz Ben Muammar will have full charge of them.

He is a strategically important official not only in the sense that he virtually completely influences the official action of the Ministry with whom USAOM contemplates a large volume of cooperative and economic technical aid and service, but his opinions are highly regarded by other important government agencies.

He is an extremely sensible and intelligent man with little patience with irregular conduct of officials and stupidity. However, he has a sense of proportion that makes him patient and a diligent worker. Very patriotic, he is extremely anxious to serve his country well and with the greatest benefit to his fellow citizens. He is studious with an inquiring mind and will use his time to the greatest advantage in finding ways and means of operating his railroad in the most efficient manner. He is an excellent and important leadership prospect.

He is neat in appearance, very personable, in good physical condition and capable of a hard concentrated schedule of study, visitation, conferences and observation. He is interested in railroad management, operational controls, particularly as they pertain to costs. He is especially interested in railroad accounting, stock controls and maintenance of equipment. These are his current basic items of concern with the Saudi Government Railroad. The railroad business is relatively new to him and he will be interested in every phase of it.

If there is time available and since the Ministry does control all communications, it would be desirable for him to observe the operation of some of the larger telephone and radio installations, both from an operational as well as managerial standpoint.

He is a graduate of American University in Beirut. He is one of the few natives of Saudi Arabia not related to the Royal Family who has risen to such a high post in the officialdom of the country. His rise has been based on need for his services and merit.

Little more can be said about him than is contained in the wire requesting his approval for a leadership grant. For convenience in review, I am enclosing a copy of this message.

We shall anxiously await your further instructions in this case.

With kindest regards, I am

Yours very sincerely,

R. D. Dolley, Chief
Education Division

RDDolley/pa

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

Sinclair
Skeffington
file

January 8, 1954

OFFICIAL - INFORMAL -
UNCLASSIFIED

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

I want to let you know regarding progress being made on two of our procurement items:

1. Quarantine Station Equipment

Bids on this equipment are being opened on January 11 at GSA. Following analysis by GSA and our procurement people, the order will be placed. We will continue to follow through on this to speed final shipment.

ok RTS 1-17-54

2. Four dump trucks and fuel tank truck(Jizan Road equipment):

Bids were opened at GSA on January 5, now being analyzed, and the order will be processed as quickly as possible. We will keep after them on this also.

noted EHS 1/17/54

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, and Africa Operation

Taggart (2)

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

January 4, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

We have read with interest the Secretariat Note 150 dated November 30. We are in accord with the policy of university contracts where feasible and possible. It may be possible that in the event our proposed projects in general education, teacher training and agriculture progress as we hope they will, that some, if not all, of the work may be handled through a contract with some university. The problems presented in the development of public schools and training facilities in Saudi Arabia are more numerous than can be described or even imagined by those who have not had the opportunity of observing the situation. Most of the instruction at the moment is confined to religious education with controls emanating from Mecca. The training offered is of the most formal kind and dispensed in a traditional way and under the most extenuating circumstances as far as the learner is concerned. Fifty-five percent of all the instructional staff is imported from Egypt through a general contract between the Government of Saudi Arabia and the Government of Egypt. Probably more than 50% of the total instructional program is devoted to the study of various phases of the Koran. For the most part, the schools are carried on in improvised buildings through the joint sponsorship of individuals, societies and other groups with varying amounts of subsidy from the Saudi Arabia Government. Any school or educational development in Saudi Arabia will have to commence with virtually nothing and at the very beginning. There are no teachers available with little prospect of finding enough people to command a minimum school program within the boundaries of the country. It would be difficult, to say the least, for a university or any other agency to cope directly with the educational problem as it prevails in this country. Yet, the requests for assistance are numerous and the desire for help is sincere. It would be very desirable to contract much of the work that must be done in the aforementioned areas, but again it is a question in our minds as to whether the personnel of a school of education geared to the highly scientific educational systems of the United States could meet this totally foreign situation sufficiently well to make an appreciable contribution in a relatively short time.

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

We feel that the decisions in matters pertaining to overall general contractual arrangements with universities for the development of training and educational activities in this country will have to be dealt with individually and in the field and determinations made in the light of conditions and advice from the officials of the host government.

Yours very sincerely,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson/pa

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

January 3, 1954

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

I am attaching hereto copy of a memorandum which I prepared for Norman Paul in order to give him in a brief form pertinent information regarding our activities in Saudi Arabia, both insofar as technical assistance and economic aid are concerned.

There may be some information in the enclosure which will be new to you and which you might be able to use.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to
Saudi Arabia

Enclosure -
As above

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

HJCorson:o

Our evaluation of the situation concurs with that of the Government and accordingly we have set up programs to meet such needs, giving greatest emphasis to water development, followed by roads and education (principally vocational), and then agriculture and public health. Collaterally with these development programs the Government has recognized the great need for marked improvement in public administration and has requested our assistance to meet that need.

It might be well to mention here some important factors which justify our efforts to help the Saudis help themselves:

1. The strategic policital and geographic importance of Saudi Arabia to the United States in the drive against Communism.
2. ~~The~~ The far-reaching role played by Saudi Arabia in the Arab World through its control of Mecca, which places them in a uniquely important position amongst the Moslem states.
3. The importance of Aramco (Arabian-American Oil Company), the largest single American investment outside the United States, having under concession about one-sixth of the world's total oil reserve; also of the Military Base, both on the Persian Gulf side of Saudi Arabia.
4. The existing pro-American attitude on the part of SAG, which attitude is one not only to maintain but also to promote to the greatest extend possible.
5. The great need for the development of natural resources (other than oil), especially water, as well as for the development of its own food supply.
6. The existing deplorable conditions in health, sanitation and education and the urgent need for improvement in these phases of Saudi Arabian life, thereby augmenting their productivity.

7. The great need for assistance in Government Administration and Services, created by the heavy demands placed upon SAG in recent years through rapidly expanded activities following the large scale development of its oil resources.

8. The keen interest on the part of SAG to be helped in their efforts to emerge from a primitive to a modern state.

The nature of the '54 Special Economic Aid ~~Programs~~ Programs to Saudi Arabia will be ~~in general~~ generally along the same line as the Technical Assistance Programs. Since the Saudi Government has always felt that U.S. contributions to their economic development ~~programs~~ programs have been on the bottom of the list, of the Arab states, the inclusion of the amounts designated as Special Economic Aid for this year has been received very favorably. Needless to say, every effort will be made to have technical assistance and economic aid programs create short-term impact which is so important in Saudi Arabia at this time. Water development will comprise the greatest part of our '54 economic aid, followed by road construction for promoting country-wide trade and unification of the country. Under present conditions, investment opportunities in Saudi Arabia are extremely limited due to the absence of known raw materials. With the exception of flare gas, derived from the ~~xxxx~~ petroleum industry in the eastern part of the country. Furthermore, it may be said that at this time there is no favorable investment climate. The Government, recognizing this, is quite insistent that we provide technical assistance in revamping present decrees and writing new decrees for the ~~towards the end~~. We expect to be able to give such assistance soon. In addition to the ~~the~~ not being a favorable investment climate, skilled and semi-skilled labor is conspicuously absent. Furthermore, at the present time there is no adequate tax structure. However, the Saudi Government is looking to us for assistance in correcting this basic situation.

Taggart
(Re "55 Budget" Solution for 3 ends mentioned in this letter)

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

OFFICIAL-INFORMAL
UNCLASSIFIED

January 3, 1954

Dear Paul:

We recently received several copies of the FY-55 budget presentation corresponding to Saudi Arabia in the total amount of $1,669,000. In checking over the figures contained in that presentation, we note that under the section "PUBLIC ADMINISTRATION" the cost of U.S. technicians was reduced from $125,000, as originally included in the FY-55 budget, to $100,000. No explanation was noted in the budget presentation we received from Washington. Consequently, we would like to know why such a cut was made and will appreciate your furnishing us with this information.

We also enclose several sheets of the above-mentioned budget presentation and will appreciate your sending us three copies which are legible.

Speaking of the FY-55 budget, we discussed at Istanbul with Riggs McCormack the matter of our having combined economic aid and technical assistance totaling approximately $5,000,000. McCormack mentioned that it might be necessary for us to separate technical assistance and economic aid since in all probability Congress will deal with these separately. If separate budgets are required, please let us know and we will be glad to prepare them accordingly. We did inform McCormack that the amount which we would require for envisaged technical assistance programs would be around $2,000,000, and for economic aid programs around $3,000,000. Insofar as Saudi Arabia is concerned, the only difference we can see between technical assistance programs/projects and economic aid programs/projects, is the fact that under the latter we generally would not be training Saudi counterparts. This is definitely the case insofar as our 1954 economic aid projects are concerned, although if we separate the programs/projects included in our combined FY-55 budget, there would be economic aid programs/projects which would provide for the training of Saudi counterparts.

We will look forward to hearing from you in the above connection.

Sincerely yours,

Harland J. Corson, Director
USA Operations Mission to Saudi Arabia

Encls. - 3

Mr. Paul F. Taggart,
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division,
Near East, South Asia and Africa Operations,
Foreign Operations Administration,
Washington 25, D. C.

(2)

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

December 31, 1953

OFFICIAL - INFORMAL
UNCLASSIFIED

Dear Paul:

Several days ago Fred Zahid, Technical Advisor to the Minister of Transportation and Communications, called at this office on behalf of the Minister to ascertain whether or not USAOM would furnish technical assistance for the reopening of the Medina-Jordan Railroad which, as you may know, has been abandoned since World War I. Mr. Zahid informed us that the King is very much interested in reopening this railroad, but first wants to know what the cost would be to do so on the basis of the present narrow gauge and on the basis of European standard gauge. We informed Mr. Zahid that we would develop the matter with you, but that if such assistance were granted, its cost would probably be deducted from the amount set aside for roads under the FY-54 Economic Aid funds.

We feel that the above request should be granted provided the cost would not exceed an amount of about $75,000.

We shall appreciate your letting us have your views in this connection.

Sincerely yours,

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION

USA OPERATIONS MISSION TO SAUDI ARABIA
Jidda

December 31, 1953

OFFICIAL - INFORMAL
CONFIDENTIAL

Dear Paul:

I appreciate the information you gave me in your letter dated December 16 regarding the FOA/USGS relationship, as well as that of FOA and the other technical agencies.

I would like to point out that ever since Glen Brown returned here, he has been most cooperative and his relationship with this office so far has left nothing to be desired. Furthermore, he has given me no indication, either by word or action, that he is out here to "wind up" U.S.G.S. work in Saudi Arabia. It seems to me that whether or not he remains here depends on what kind of an agreement is finally entered into between FOA and USGS, and if the final agreement provides for USGS personnel being on the FOA rolls, what roll he would play in the water development and mineral development programs in Saudi Arabia. If he would continue to be as cooperative in the future as he has been since his return here, I would like to have him as Chief of Natural Resources to advise me, as well as the Saudi Arabian Government, on the development of natural resources in projects coordinated with agricultural and other related programs, and to act as a general supervisor in the carrying out of such projects which, as you know, will be very important ones. I feel that Glen Brown is well qualified to act in such capacities. Of course, it may be that USGS will refuse to let him stay here unless they get the kind of contract from FOA that they want. I hope these questions can be settled soon so that we can get started on our water development program under the '54 grant aid.

As soon as Brown returns from Riyadh, where he is checking the water table as well as paying his respects to King Emir Saud, I will ask him to prepare a comprehensive report embodying work accomplished to date in Saudi Arabia by the Natural Resources Division, a detailed plan of work for our Natural Resources Division covering the remainder

Mr. Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations
Foreign Operations Administration
Washington 25, D. C.

of the FY-54 period, and an overall plan of work covering the water development program under Economic Aid, this latter plan of work to cover the respective phases mentioned in my cable to you from Istanbul. As soon as such reports are ready, I will forward them on to you without delay and will await your comment on this score before preparing the water development project for presentation to SAG.

Brown has not made any mention to me since his return here about additional personnel. This may be due to the fact that he does have in mind "winding up" USGS work here, but I am more inclined to believe that other problems such as water drilling have occupied his mind to the extent that he has not given much thought to the matter of additional personnel. Upon Brown's return from Riyadh I will discuss with him the matter of personnel for his division, and from that conversation I am sure I will be able to ascertain or at least detect whether or not he has returned for the purpose of winding up his work here. I will inform you on this point a little later.

We have sent you several cables in the last few days covering what we feel here might be a solution, if only in part, to the water drilling problem with which we are faced. Waiting for Govenco to recruit drillers and other qualified personnel to carry on without interruption drilling operations here would be disastrous since we have every reason to believe, based on information gathered from several reliable sources, that it would be some months before Govenco could be drilling to the extent that Baker was a couple of weeks ago. During such time the drilling rigs left on the desert would deteriorate greatly, thereby necessitating extensive repairs with resultant further delays in drilling. We hope that by the time you receive this letter arrangements have been made with Baker/Rochester whereby they will carry on drilling operations to the extent of five rigs under the Community Development Program so that water development at both Wadi Khulais and Wadi Itwad under that project will not be held up. Furthermore, we feel very strongly that by such a nucleus of drilling activities being retained by us through Baker until such time as the water development program agreement under Economic Aid has been signed, it might be possible to convince the Saudi Arabian Government to allow us to continue with such nucleus for doing the exploratory phase of drilling operations, with Govenco doing the productive phase. So far we have not been able to ascertain just why the Minister of Finance day before yesterday instructed Baker/Jidda not to turn over any drilling equipment to Govenco until further notice. It may be that he has decided not to have Govenco do water drilling work or it may be that Govenco will do only part of it, or it may be that all of such equipment, as well as the maintenance shops, will be turned over to the recently created Ministry of Agriculture. We hope to know the answers to these questions shortly and will inform you accordingly. At any rate, our continuing through Baker with five rigs and the operation of the maintenance shop in Jidda for a few months will greatly enhance the goals we are seeking in the water drilling phase of the water development project.

Charles Buck, representing International Engineering Company, has been here for several days and copies of the railway survey report have arrived. These will be presented shortly to the appropriate Government offices. According to the last information which this office has received, it appears that neither King Emir Saud nor the Minister of Transportation and Communications, is interested in going ahead with the construction of the Riyadh-Medina-Jidda Railroad, at least at this time. I am writing you by this same mail regarding the King's interest in reopening the Medina-Jordan Railroad. In fact, we are informed that he has committed himself to do this. Such being the case, there would be obviously still less interest in building a railroad from Riyadh to Jidda via Medina.

Sincerely yours,

HJC

Harland J. Corson
Director
USA Operations Mission to Saudi Arabia

HJCorson:c

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

December 16, 1953

OFFICIAL - INFORMAL
RESTRICTED

Dear Harland:

I would like to refer to our previous exchange of correspondence with regard to the proposed agreement and budget submitted by U.S.G.S. I transmitted a copy of the agreement and budget with my letter of October 23rd and I have your reply and comments in your letter of November 8th.

It seems we are all in accord that under no circumstances should we enter into the agreement, as proposed by U.S.G.S. As you point out, it would have the effect of making U.S.G.S. entirely independent of USAOM, as far as its activities in Arabia are concerned. I also appreciate very much the additional information furnished by Mr. Bode regarding the "in-country" costs, amounting to some $92,950, which were not included in estimates submitted by U.S.G.S. regarding proposed expansion of staff and program.

By the time you receive this letter, Glen Brown will have arrived in Jidda. We made it quite clear to Glen before he left here that there was little chance of the U.S.G.S proposed agreement being accepted. Glen's reaction to this news was to state that under such circumstances all he could do was to go out to Jidda to "wind up" U.S.G.S work in Saudi Arabia. In connection with this I should like to bring out the point that FOA is negotiating with all of the departments of Government as to exactly how they will participate in the various programs. Negotiations are pretty well completed with Department of Health, Education and Welfare and Agriculture. They are in process with Interior. The general pattern is that for the most part technicians will be on FAO rolls. Once the overall agreement is reached with Interior then there is the problem of negotiating with U.S.G.S. The attached memorandum from Rees to Craig is self explanatory as to the general thinking of our FOA resources staff in connection with the proposed agreement with U.S.G.S on the Saudi Arabian project. We now have some staff assistance to deal with U.S.G.S. Just how much we will win on this, I do not at this moment know. I have briefed the Industry boys to the extent that they recognize the problem and that they may have to be prepared to obtain required natural resources services other than U.S.G.S. It seems

Mr. Harland J. Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

to me that what is necessary is a Chief of Natural Resources to advise you and the Saudi Arabian Government to develop natural resources projects coordinated with Agriculture and other related programs and to supervise the implementation of the various project components to the natural resources program. The various components consist in some cases, of agreements or contracts with U.S.G.S and probably with engineering firms, drilling firms, etc., and in some cases, direct recruitment. Now whether or not Glen Brown can carry this responsibility is a matter which is going to depend upon two things: (1) whether the USGS will permit him to and his attitude is such that he will effectively discharge responsibility, and (2) whether or not you feel he is qualified. Test out both of these. I would like to suggest that USAOM ask Brown for the following:

1. A comprehensive report of all work accomplished to the present in Saudi Arabia by the Natural Resources Division.

2. A detailed plan of work for the U.S.G.S group for remainder of FY 1954.

3. An overall plan of work for the proposed $2,000,000 water development program under Economic Aid. In this connection, I should inform you that the Agriculture and Natural Resources boys here in FOA, particularly Malcolm Jones, were quite unhappy over the description of this program contained in our submission to the Bureau of the Budget. (This, as you know, was based on Embassy despatch 112 of September 20th). They feel that as it now stands the program shows no relation whatsoever to agriculture and/or irrigation, and should be rewritten to show an integrated program of water exploration and drilling, irrigation and agriculture. Jones will cooperate with us in such a rewrite. It should be very helpful if we could have your ideas on this, together with those of Dr. Edens. Brown was present at a meeting when Malcolm Jones brought this matter up, so that he is aware of the points involved.

It is my understanding that Brown intends to curtail his request for personnel to two new men, a water chemist and an administrative assistant. This is in line with his announced intention to start no new operations but to simply "wind up" USGS work in Saudi. If this is the case, I suggest you send in AIRPARS for these men and provided they fit into the general pattern we will try to get them out as soon as possible. George Schoechle of USGS has indicated that they should experience no difficulty in recruitment for the two positions mentioned. However, as point 3 above is developed it will be apparent that a considerable larger staff will be required.

Among other matters that came up prior to Brown's departure was the question of termination of the services of Michael Baker Co. by the Saudis. We were under pressure from Brown to direct USAOM to undertake financial responsibility for the Baker drilling through June 30th, diverting some $200,000 from the previously authorized 1954 program for this purpose. However, I did not see how we could get involved in any negotiations being carried on between Baker and the Saudis. Furthermore, there was no possible chance, even if such were feasible, of getting our program people to clear such a wire at such short notice, without voluminous and detailed justification for diversion of previously programmed funds.

The long-awaited railway survey report was delivered to us in final form last week. I am not forwarding copies to you as it is my understanding that, under the terms of the contract, copies will be delivered to you upon your return from Istanbul by Mr. Charles Buck, representing International Engineering Company. I am informed that Buck will arrive in Jidda on or about December 15th. There is a great deal of interest here in FOA regarding the report. The next move, of course, is up to the Saudis - whether or not they are willing and able to finance the actual construction of the proposed railway. For your information, Ambassador Wadsworth has seen the report and has evidenced great interest in the project.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq, Saudi Arabia, Lebanon, Syria Division
Near East, South Asia and Africa Operations

Among the subject

Glenn H. Craig, Director
Office of Industrial Resources

December 14, 1953

C. Herbert Rees
O & M Division

Proposed Agreement with USGS on Saudi Arabian Project

Inasmuch as the Office of Industrial Resources has primary responsibility for liaison with the Department of Interior, including the negotiating of agreements for technical services, the attached (proposed) agreement seems to be a matter for you to handle.

As you know, we are negotiating a new general agreement or understanding with the Interior Department. We have not discussed with them such things as employment of personnel, relationships between field personnel and the USOM Director, etc. Until we reach agreement on such matters this project agreement should not be concluded. Even though this agreement is intended to set the framework for continuation of a going program, this framework will have to be consistent with the principles which Mr. Stassen has decided should govern FOA relationships with other agencies.

Following are questions raised in our review of the proposed agreement:

Section IV

A. Investigation and exploration will be agreed upon by whom?

B. Initial contacts between USGS personnel and SAG should be under auspices of USOM/Saudi Arabia. Contact thereafter MAY be directly between USGS and SAG, provided the country director is kept fully apprised of what transpires

D. Consultation in Washington by USGS personnel should be only after approval by USOM/Saudi Arabia and FOA/W.

F. With few exceptions, equipment and supplies purchased by USGS from backstopping funds should become property of the participating country.

G. Correspondence between the Geological Advisor and USGS/Washington on program or other major policy matters should be routed through the Director of USOM/Saudi Arabia with a copy to FOA/W. Copies of correspondence on strictly technical matters should be furnished USOM and FOA/W. Airgrams should be used in all but very exceptional cases.

H. It should be made clear on any reports published or distributed as a result of this project that it was an FOA project carried out by USGS.

Glenn H. Craig S/IND
12/14/53

Section V. Financing

I understand that the matter of the appropriateness of the 31% backstopping charge is being handled as a separate matter with Interior. I disagree strongly with the base to which it is applied in this case, however. The base includes the estimated costs for international travel, and I can see no relation between the miles a technician travels to get to his post and the cost to USGS to backstop him. FOA would, in addition, presumably have to pay a greater backstopping charge for a technician with a family of five than for a single man, since the costs of international travel and transportation are included in the base on which backstopping is computed.

RPowers:csh
OSM
12/14/53

cc: Mr. Taggart
Mr. Rothschild
Mr. Einhorn

Mr. Rees
Mr. Powers
Miss Fitzgibbon (2)

Taggart

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

December 10, 1953

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

The various communications received from you indicating embarrassment over the non-receipt of the budget is shared by many. You may rest assured that many of us here are sympathetic to your difficulties.

We have finally been successful in getting out the '54 program funds. I believe you have sufficient guide lines in terms of agreements to proceed with the regular program. You also have the form of agreement to be used in the Special Economic Aid program. The only thing lacking in this regard is the apportionment of funds. We thought we had this one well on the way even though much delayed. The last snag is that presented by the Director of the Bureau of the Budget who is requiring a financial plan for the use of all Special Economic Aid funds. That is to say, he will not make apportionments on a piecemeal basis. The Program Office and others are working diligently to make this information available. I wish I could give you some concrete information as to when Special Economic Aid funds will become available, but at this moment that is impossible.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia, and Africa Operation

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

November 30, 1953

OFFICIAL-INFORMAL-RESTRICTED

Mr. Dulley
file

Mr. Harland J. Corson
Director, United States of America
Operations Mission to Saudi Arabia
c/o American Embassy
Jidda, Saudi Arabia

Dear Harland:

This is to acknowledge your letters of November 12 and 15 in which you transmitted the communications proposed agreement and the sample project agreement, and requested the approval of the latter to expedite projects and establish better relations with the Saudi Arabian Government. I concur heartily with your objectives and shall do everything possible to obtain the approval requested by you.

Speaking first of the sample project agreement, I should like to say there is considerable confusion about agreements. I think this is largely due, however, to a lack of understanding on the part of those who are new to TCA operations. For a time approval of such an agreement as you have presented was practically if not impossible. I seem to sense a little less reluctance and am sure that as the new organization becomes acquainted with the advantages of such an arrangement the difficulties will disappear. In the meantime I shall exert every effort to get approval at the earliest moment.

I should like now to turn our attention to the communications project. I can concur in your desire to implement this project. We are starting this morning to get the necessary concurrences including education, program office, and legal in order that we may notify you as promptly as possible that you may proceed. I see no particular difficulties other than perhaps a bit of time in obtaining the above approvals. The most disturbing factor affects not only this but all of your activities and that is the allocation of FY '54 funds. More about this later. In the implementation of this communications project, is it your opinion that the staff presently programmed for Saudi Arabia is adequate to carry it on? My suspicion is that it will require some additional staff. Will this staff be provided by shifting personnel within the '54 authorization of 47 people or will it be necessary to increase the personnel authorization? If so, how much? Is it your intention that this personnel shall be obtained by direct recruitment? Looking to our experience in Iraq in the establishment of the technical institute there and our contract with Bradley University, I should like to suggest that you give a great deal of consideration to contracting with a qualified institution here in the United States for the implementation of this project. I should say in passing that our experience

with Bradley University has been extremely good. If it is your decision that the Saudi communications training program should be handled in this manner, will you please provide us, in addition to the answers to the above questions, as much detail as you can as to exactly how the project will be operated, personnel required, whether or not the personnel costs will be in addition to the $75,000 contributed to the cooperative fund, how much, if any, of the funds are to be expended for U. S. equipment and supplies, and what they are, and such other pertinent data as may be essential to the negotiation of the contract. I should like, also, to indicate that Mr. L. H. Dennis, who has had a wide experience in vocational education, is available to come to Jidda for three days for the purpose of consultation with you in determining the exact needs and upon his return could render material assistance in the negotiating of the contract and the orientation of personnel prior to their arrival in Saudi. I might say this is the procedure used in Iraq and we found it most useful.

In concluding this letter I would like to give you such information as I have as to the delay of the allocation of funds. As you will recall when you were here, there was considerable confusion as to just what channels program authorizations would follow. In the course of time that got sorted out and the Saudi Arabian Technical Assistance Program was signed by Director Stassen on November 4, and the Special Economic Aid program authorization was signed on November 5. In relation to the Technical Assistance Program, I do not have all the details, presumably it was going through the normal channels along with similar programs for the Near East, South Asia and Africa countries. Whatever may have been the cause of the delay, these authorizations finally reached Mr. Dodge of the Budget Bureau for the allocation of funds. Early last week FOA was notified that Mr. Dodge had not made allocations due to the fact that he was questioning if allocations should be made in view of the fact that many of the countries had large unexpended balances. I have contacted those in a position to push this matter, but certainly the above factor was not applicable to Saudi Arabia which, in fact, was over-committed just prior to June 30 and Iraq which had expended practically all of its funds, besides both of them are operating on a force account operation and, therefore, carry over no funds into the next fiscal year. Mr. Dodge has not made the allocation for Saudi Arabia for Special Economic Aid due to the fact that he questions, "Why should Saudi Arabia with its oil revenue obtain economic aid?" I am sure this will straighten out as after all it is not Budget Bureaus responsibility to determine these matters as they are rightly within the prerogative of State Department and FOA. However, in the mean time the delay is seriously hampering the activities in Saudi Arabia. You may rest assured that I shall exert every pressure to expedite the allocation of funds and the approval of your programs. May I say in passing that your TOUSFO 195 was most welcome and has been of a great deal of value to me in bringing pressure to bear.

Going back for a moment to the communications training program, it may be necessary for us to provide approval in two parts. If the allocation of funds is not immediately available, we will, as soon as this project approval is obtained, apprise you of this by cable authorizing you to proceed as far as you can pending the availability of funds. The second part, of course, will be the notification to you of the availability of funds as soon as allocations have been

made.

I am sorry for all this delay but felt that an explanation might be helpful to you in understanding some of the problems with which we have to contend here in Washington.

With kindest personal regards,

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Squdi Arabia-Lebanon-Syria Division
Near East, South Asia and Africa Operations

TELEGRAM

Foreign Service of the United States of America

OUTGOING

CHARGE:

RESTRICTED
Classification

Control: TOUSFO 216

DATE: November 29, 1953

FGA/W
FOR TAGGERT

FOR BEST COMPREHENSION OUR PROGRAMS CONSIDER IT HIGHLY ADVISABLE OUR REVIEWING THEM HERE. STRONGLY RECOMMEND YOU PLAN SEVERAL DAYS STAY WITH US PRIOR ISTANBUL MEETING. ADVISE.

CORSON

HJCorson/s

Classification

☆ U. S. GOVERNMENT PRINTING OFFICE: 1952 - 220210

U.S. Operations Mission
to Saudi Arabia
Jidda

OFFICIAL-INFORMAL
UNCLASSIFIED

November 28, 1953

Dear Paul:

Thanks ever so much for your kind letter dated October 30th.

We all here are most interested in that our FY-54 and subsequent agreements be of the Cooperative Service type. Of course we don't know as yet SAG's reaction to this type of agreement which involves their actually putting up cash in advance for financing each program and/or project. We feel that they can be convinced as to the advisability of such an agreement and we will do our best towards that end. So, we urge that everything possible be done there to allow us to try to set up Cooperative Service Agreements. They would answer many of our problems, principally getting money out of SAG and getting them involved to a much greater extent in carrying out the program and projects agreed upon.

As you know, we have received the draft of diplomatic note to be exchanged with SAG (your USFOTO 143), on which we have offered our comments and suggestions (TOUSFO 213). We are awaiting now the final draft of the note to be presented to SAG, thereby setting up the 1954 technical and economic aid program. We hope that by the time this final draft is received, we will have received the allocation of '54 funds and that the Embassy will have been instructed to proceed with the exchange of diplomatic notes prescribed in FOA Manual dated September 1, 1953, thereby setting up the Cooperative Service form of agreement for the respective programs.

In the meantime, each of our Division Chiefs is discussing the details and costs of each project under our FY-54 budget in order that the total amount and the respective SAG-US contributions may be ascertained and such figures used for the program agreement. These program agreements, we are informed, are to be submitted by the respective Minister to the newly formed Cabinet of Ministers (over which Crown Prince Feisal presides) for approval. As each such agreement is accepted by the Cabinet, the respective Minister is thereby authorized to sign it. This being done, project agreements under such program agreement then need only the approval and signature of the Minister.

Past

Mr. Paul F. Taggart,
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and African Operations
Foreign Operations Administration
Washington 25, D. C.

Past experience in dealing with SAG on money matters has clearly proven that every effort must be made to get them to put up in advance the entire amount corresponding to each program and/or project agreement. If this is done, it follows that SAG will logically expect us to do likewise. Therefore, we urge that arrangements be made at your end:

1. For the total amount (not by quarters) of program funds, excepting U.S. Technicians' costs, being made available to this Mission for each program embodied in our FY-54 budget.

2. For authorization being given to this Mission to withdraw from the Treasury and deposit in cash in an acceptable commercial banking institution the total amount of program funds (mentioned in paragraph 1 above) at the time FOA/W approves each program and/or project agreement. Such funds naturally will not be so deposited except simultaneously with SAG's deposit corresponding to their agreed upon contribution.

NOTE: Local commercial banking institutions here are the following:

Netherlands Trading Society
Banque de l'Indo-Chine
British Bank of the Middle East
Arab Bank, Ltd.
Gellatly Hankey & Co. (Saudi Arabia) Ltd.

We sincerely trust that FOA/W will concur with the recommendations given above.

Sincerely yours,

Harland J. Corson
Director
U.S. Operations Mission
to Saudi Arabia

HJCorson:o

U.S. Operations Mission
to Saudi Arabia
Jidda

OFFICIAL - INFORMAL

November 28, 1953

Dear Paul:

We refer to your letter dated November 6.

In our correspondence, we have frequently inquired as to the status of Meistrell's recruitment and departure for Saudi Arabia, thereby indicating our concern regarding this matter. As you know, we cannot request host government clearance until U.S. clearances have been obtained. These had not been obtained at the time of Taylor's departure from the U.S. To date we have received no word from FOA/W that Meistrell's clearances there have been completed. Therefore we were quite surprised when we received your cable, USFOTO 127 dated November 3d, requesting urgent host government clearance without giving us at the same time the necessary biographical information on him. We immediately requested such information (see our cable TOUSFO 197 dated 11/4), following up that cable by another, TOUSFO 204 dated November 15. Again, in our cable TOUSFO 212 dated November 23d, we asked for such biographical information. Up to this writing we have had no reply from FOA/W in this connection nor do we know the status of Meistrell's recruitment. We sincerely hope that he has not accepted another position, thereby necessitating the recruitment of another qualified man for this important position, with the resultant delays.

Since the arrival here of the undersigned, many meetings have been held with the Division Chiefs on not only the FY-54 but also the FY-55 Budget Estimates. Plans have been prepared for carrying out the FY-54 programs and projects; all but one AIRPAR, corresponding to new recruits for FY-54 work, have been forwarded already to FOA/W; requisitions for supplies and equipment for the FY-54 program are being prepared and will be sent to FOA/W by pouch on December 7. Lack of stenographic help has held up our work here tremendously. The obligation numbers for these requisitions will be forwarded by cable after we receive the allotment of '54 funds.

Until such time as we hear from you regarding the outcome of the FOA/USGS contract discussions, we hesitate to do anything regarding

recruitment

Mr. Paul F. Taggart,
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division,
Near East, South Asia and African Operations,
Foreign Operations Administration,
Washington 25, D. C.

recruitment of personnel or requisioning supplies and equipment for our Natural Resources Division. We reiterate here that we would prefer to contract water development work under our FY-54 budget and '54 Special Economic Aid Program.

We heartily agree with you in that for the FY-55 period, it would be preferable to embody technical assistance programs and grant aid programs into one over-all program since in so far as Saudi Arabia is concerned grand aid programs are of a technical assistance nature to be carried out on a cooperative service basis. By this same mail we are sending you a revised FY-55 budget, fully supported, for a total U.S. contribution of a little over five million dollars. We had prepared a revised FY-55 budget totalling about $2,600,000 and were ready to send it to you when we received your letter under reply. We immediately discussed a further upward revision of our revised FY-55 budget as suggested by you.

By pouch on December 7, we plan to forward to you an illustrative budget, totalling $100,000 for two projects, for Muscat in order that consideration can be given by Congress to technical assistance for Muscat during the coming fiscal year.

Sincerely yours,

HJC

Harland J. Corson
Director
U.S. Operations Mission
to Saudi Arabia

HJCorson:o

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

November 6, 1953

OFFICIAL - INFORMAL

Dear Harlan:

We are at a complete loss to understand why a reply to our concurrence requests for Meistrell are not forthcoming. The lack of this may mean the loss of Meistrell's services. He has another offer and is being pressed for his answer. I hope he is not pushed too far on this until we can have some word from you, but if he is it appears we will have to start from scratch to recruit someone else.

Prior to receiving this letter you will have had word of the approval of the grant aid funds for Saudi. You may even have word of the allocation of the '54 funds. The total of these is roughly 5 million dollars. It is unfortunate that a third of the fiscal year is gone before we can really get to work on the various programs for which these funds are intended. It means that we've got to telescope our activities. It would appear that you could immediately start your staff to planning as to how these programs can be implemented even while you are carrying on negotiations with the SAG. There are such things as determining what is to be contracted, the preparation of specifications, what supplies, material and equipment are to be obtained through procurement channels, specifications prepared and requisitions forwarded. There will need to be AIRPAR forms prepared and transmitted for the recruitment of personnel to provide the technical guidance and supervision of the agreed programs.

We will need here a blueprint of how you are going about this, when we might expect the segments described above and such specific information as will enable us to most effectively expedite your needs.

In analyzing the grant aid program, it is one which supplements the regular program and for the most part is one of technical assistance rather than economic aid. The thought occurs to me that even though the technical assistance FY 1955 budget presentation has been prepared and will next week be discussed with the Budget Bureau, that you might wish to give consideration in the field to a revision of the presentation prior to the time it goes to Congress in such a way that the total

Mr. Harlan Corson, Director
U.S.A. Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

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program is one of technical assistance might reach a figure of roughly 5 million dollars, rather than two programs, one of technical assistance for 1 million and one-half, and one is grant aid of 3 1/2 million.

If you feel such an approach is desirable, will you provide us with the necessary breakdown and justification in order that we may work with the program office here in obtaining such revisions as are necessary to accomplish this end? Will you please give us your reaction to the above.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq-Saudi Arabia-Lebanon-Syria Division
Near East, South Asia and African Operations

DEPARTMENT OF STATE
FS Form No. 435
Revised June 1949

Taggart

CROSS-REFERENCE SHEET

DOCUMENT FILE

NOTE

SEE Econ. Aid Folder FOR Letter

FROM Taggart ( ) DATED 11/12/53
TO Corson NAME

16—53422-2 GPO

REGARDING: Transmitting copies of auth. for Special Economic Aid to Saudi Arabia signed by Mr. Stassen on November 5.

Taggart

CONFIDENTIAL - SECURITY INFORMATION

OFFICIAL - INFORMAL
CONFIDENTIAL

November 8, 1953

Dear Paul:

I was delighted to receive your letter of October 23rd, in which you state you believe that under no circumstances should we enter into the proposed U.S.G.S. agreement. As I previously informed you, I, too, do not favor FOA's signing an agreement of this type, but instead one which would be sufficiently flexible so as to permit us to recruit geologists through U.S.G.S., direct, or contract work done by outside firms. If it is determined advisable to use U.S.G.S., an agreement similar to that in effect with other technical agencies, such as the Department of Agriculture, should be executed. It would appear from the proposed agreement that there is small purpose in having an USAGM insofar as Natural Resources are concerned. The proper direction and control of any program requires that the Director hold two elements--money and personnel, both of which under the agreement to be transferred to U.S.G.S. From my observations of past performance of the Natural Resources Division here, we have been doing odd jobs for SAG rather than following an over-all pre-determined well developed program of action.

If the agreement is not to be signed I doubt that Brown could work effectively under the new conditions, and therefore would question the advisability of his return to Saudi Arabia.

Obviously, the proposed budget has been checked and, as I expected, many items were not included, even beyond those mentioned in the attachments you sent to me. I am enclosing a statement prepared by our Controller, Mr. John Bode, from which you will note that approximately $100,000 per annum in-country expenses should in reality be added to the $403,000 indicated in Mr. Brown's proposed budget. I particularly call your attention to the footnote on the attached cost statement regarding backstopping charges; also, to the salary increases in Brown's proposed budget for those actually forming our Natural Resources Division here. In other words, as matters stand we are expected to earmark for U.S.G.S. approximately $500,000 for FY 54 (of which only a little over one-half of that year remains) for work to be performed by the Natural Resources Division here, a plan of which is not available. In other words, it appears to me that the proposed contract would establish U.S.G.S. as a contractor of FOA the same as would be the case if an out-

Mr. Paul F. Taggart,
Chief, Iraq-Jordan-Saudi Arabia Branch, NEADS,
Foreign Operations Administration,
Washington 25, D. C.

side firm were employed to do geological work for us, and yet I have not seen anything to show what we would get for the half million dollars which they are asking us to earmark for them.

Another important point is the fact that, based on information which I have received from several sources, it is very doubtful that the additional staff required under the proposed FY 54 Natural Resources program could be recruited and over here prior to the end of the third quarter of this fiscal year. Such being the case, it is hardly likely that any proposed program worth spending $500,000 for could be carried out during the FY 54 period.

It is my understanding that the Economic Aid Program will involve water development in Saudi Arabia. Such being the case, it would seem to me that it would be highly advisable to prepare a water development program on an over-all basis for the entire country (except Ruba Al Khali) even though the expenditures for such program should be accounted for under the Economic Aid Program and a regular Natural Resources Division program separately. For such an over-all program, I feel very strongly that ever so much greater impact could be obtained were this work performed under contracts with private firms where definite work programs, definite costs and time limitations were established. Furthermore, work contracted by such firms would be performed in and on behalf of USAOM. Another important consideration in favor of using outside firms is that a 1954 Fiscal Year allotment for the purpose of the project may be fully obligated by contract with a private contractor and payments under the contract may be made up to and including June 30, 1956. In all probability, this same condition would exist with SAG contribution to both the Economic Aid and our regular Natural Resources program covering water development.

In the event it is decided that the services of outside firms be employed for the suggested over-all water development program, it is my feeling that a top-flight water geologist should be employed by us to act as adviser to the Director of this Mission, also as liaison officer between him and the contracted firms; and under such adviser, an inspector should be employed to watch the activities of each contracted firm. Although I have no information available, it would seem, however, that more positive action could be obtained during a shorter period of time, and probably at no greater expense, through the employment of private firms rather than through U.S.G.S., even including the cost of the top-flight water geologist and the inspectors. Obviously, an over-all plan of work would have to be prepared.

I would like to state emphatically that since my arrival here I have had the fullest of cooperation on the part of the U.S.G.S. personnel now stationed in this country and, consequently, the remarks made above are without any prejudice.

After further consideration has been given to this matter at your end, I would appreciate very much your letting me know what the concensus is there so that necessary actions can be initiated without delay.

Sincerely yours,

Harland J. Corson
Director
U.S. Operations Mission
to Saudi Arabia

Encl.

HJCorson/djh

Costs not considered in

GEOLOGICAL SURVEY BUDGETS FOR 1954 FISCAL YEAR

* * * * *

FOR PRESENT 5 EMPLOYEES:

Cost of Living allowance (including separation allowance for Bogue)		$ 13,200
Distributive Share of Rent, Electricity and maintenance of Government-leased residences ($ 4,500 x 5)		22,500
Local Travel ($ 2,000 x 5)		10,000
		$ 45,700

FOR PROPOSED 11 NEW EMPLOYEES:

Separation allowance ($ 2,000 per year; 8 employees for ½ year)	$ 8,000	
Cost of Living allowance ($ 1,600 per year; 8 employees for ½ year)	6,400	
Distributive share of Rent etc. ($ 4,500 per year; 8 employees - 4 to 1 unit - for ½ year)	4,500	
Cost of Living allowance ($ 2,400 per year; 3 employees for ½ year)	3,600	
Distributive share of Rent etc. ($ 4,500 per year; 3 employees for ½ year)	6,750	
Local Travel ($ 2,000 for 9 employees)	18,000	47,250
TOTAL FOR PRESENT AND PROPOSED EMPLOYEES		$ 92,950

TE: The 31% backstopping charge referred to in the budgets includes the purchase and/or maintenance of automotive and field equipment, office furniture and equipment, and scientific supplies and laboratory equipment in normal use by the Survey's domestic field parties. USGS maintains that FOA has preferred in the past to furnish all transportation within foreign countries. Notwithstanding this fact, USGS has declined to make a reduction in the backstopping charge. The result has been that FOA has purchased and furnished USGS with automotive and field eqipment which USGS was prepared to provide itself with no cost to FOA other than that it would have to bear under any circumstances.

Comparison of Salaries

proposed in

GEOLOGICAL SURVEY BUDGETS FOR 1954 FISCAL YEAR

and those currently paid

* * * * *

	CURRENTLY PAID		PROPOSED IN BUDGET		
	BASIC SALARY	BASIC SALARY PLUS 25%	BASIC SALARY	BASIC SALARY PLUS 25%	INCREASE
BROWN	$ 9,730	$ 12,163	$ 11,130	$ 13,913	$ 1,750
DOUGHERTY	8,463	10,579	8,763	10,954	375
JACKSON	6,113	7,641	6,963	8,704	1,063
BOGUE	8,863	11,079	8,863	11,079	0
GOUDARZI	6,713	8,391	6,713	8,391	0
	$ 39,882	$ 49,853	$ 42,432	$ 53,041	$ 3,188

U.S. GEOLOGICAL SURVEY versus PRIVATE CONTRACTOR

In making an evaluation in this respect, an important factor to be taken into consideration is the circumstance that a 1954 Fiscal Year allotment for the purpose of a project may be fully obligated by contract with a private contractor and payments under the contract may be made up to and including June 30, 1956.

On the other hand, payments to Geological Survey employees for salaries, differentials, allowances, traveling and other expenses may be made from a 1954 Fiscal Year allotment only to the extent that the salaries were actually earned and the expenses incurred during the 1954 Fiscal Year. It follows therefore that, should the project not be completed by June 30, 1954, its continuation would depend upon a new appropriation by Congress for the purpose of the project, which may or may not be forthcoming.

U.S. Operations Mission
to Saudi Arabia
Jidda

OFFICIAL-INFORMAL
RESTRICTED

November 28, 1953

Dear Paul:

We appreciate the information given us in your letter dated October 19 (which was not received until November 3d) and attachments thereto. We thoroughly agree with your added comments to Mr. Pierce's memorandum, as were given in your memo to Jack Stanbaugh under date of October 7, regarding the importance of Saudi Arabia to the United States.

1. Technical Assistance and Economic Aid to Saudi Arabia

The draft of the Economic Aid Agreement is awaited anxiously as we feel that it would be well to negotiate such agreement at the same time we negotiate our Cooperative Service Agreements - either program or single all-comprehensive - with SAG. SAG keeps talking about "effective aid" or positive action. With our approved budget and Economic Aid Funds in hand, we can then discuss concretely with SAG programs and projects on a "Cooperative Service" basis, with SAG actually putting up in cash their contribution and actually participating in the programs and projects. By so doing, effective aid or positive action will be forthcoming and by reason of their actually participating in the programs and projects, we will create a definite and immediate impact which is so much needed.

The Charge d'affaires of the Embassy here and the Director of the Mission called on the Minister of Finance to inform him that both the technical assistance and economic aid for Saudi Arabia have been approved to the extent of about $5,300,000 (including the $500,000 under the Community Development Agreement). We further informed him that we would shortly contact him again regarding covering agreements. He replied that he would negotiate the over-all agreements and that his son, Shaikh Abdul-Aziz, Acting Deputy Minister of Finance, would handle the negotiations covering the Program and Project Agreements under the over-all agreements. He was most interested in the prospects of "things worth while" being accomplished shortly.

2. Technical

Mr. Paul F. Taggart,
Chief, Iraq-Jordan-Saudi Arabia Branch, NEADS,
Foreign Operations Administration,
Washington 25, D. C.

DECLASSIFIED

2. Technical Assistance to Muscat

We are now awaiting word from FOA/W regarding the procedure we suggested for handling this matter; also the arrival of the new Consul General at Dhahran, who will initiate these negotiations.

3. Personnel

We earnestly hope that FOA/W will do everything possible to recruit in as short a time as possible our personnel requirements for the FY-54 program. So much of the fiscal year has already passed and we are going to be extremely pressed for time and personnel to get our program under way. We will appreciate very much your letting us have a statement showing present status of all recruitments requested.

Our stenographic situation is still deplorable - one secretary and one file clerk-typist - for a U.S. staff here of 24. We simply cannot get the work out as desired. The wives of airline personnel have just finished their physical, etc. and we hope to get their papers in the mail to you within the next few days. Of the four girls, only two can work full time and of these two, one is a secretary and the other a typist. The other two can assist us on an hourly basis when required for typing work during rush periods. We hope that the wife of Mr. Anderson, Vocational Education Specialist recently recruited by you from Florida, has informed you of her interest in working here as a secretary. We understand she is exceptionally capable in that field of work. Your report on this prospect will be appreciated. We also hope that Mrs. Moser will be ready to start work with us upon her arrival the early part of February next.

Sincerely yours,

Harland J. Corson
Director
U.S. Operations Mission
to Saudi Arabia

HJCorson:o

DEPARTMENT OF STATE
FS Form No. 435
Revised June 1949

CROSS-REFERENCE SHEET

DOCUMENT FILE

NOTE

SEE Letter FOR Ref Nov 28-53

FROM Taggart ( ) DATED Feb 18-54

TO Carson NAME

10—53422-2 GPO

REGARDING:

Subject Cooperative Service Type of Agreement.

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

October 19, 1953

OFFICIAL-INFORMAL
RESTRICTED

ans 11/28

Director,
United States of America,
Operations Mission to Saudi Arabia,
c/o American Embassy,
Jidda.

Dear Jerry:

I am attaching a copy of a memorandum which was prepared following a discussion held with Sadek Husseini during his stay here in Washington, which you may find of interest. Also attached are copies of memoranda prepared on a meeting with Bob Kennedy, during which Kennedy outlined his work in the tariff field.

Thel Taylor departed Washington Friday and is scheduled to arrive Jidda on October 25th. Taylor will be able to bring you up to date on matters at this end. Along this line, I believe the following should be listed:

1. Special Economic Aid to Saudi Arabia:

The FOA legal people are working on the draft of an agreement to be submitted to the SAG concerning special economic aid. A question of top-level policy remains to be settled in this connection, i.e. whether FOA will approve any joint-fund arrangements or obligate by program agreements. You will be kept informed of developments in this matter.

2. Technical Assistance to Muscat:

By Despatch 45 of September 30th the Consul General at Dhahran reported that the Sultan of Muscat has indicated a desire to discuss the signing of an agreement after his return to Muscat about the end of October. However, Consul General Bishop is leaving for the United States on October 18th. We have been informed by State that his successor will be appointed shortly and will be

briefed

briefed on this matter before departing for Dhahran. He will be authorized to negotiate the agreement. It is suggested that Taylor accompany the Consul General to Muscat to assist in negotiating the agreement.

3. Personnel:

Taylor - departed for Jidda October 16th.

Kennedy - has gone on home leave following five days consultation. It is expected that he will be transferred to Baghdad following home leave.

John Barham - Extension Specialist - reported in October 14th and is attending the Foreign Service Institute through November 6th. Department of Agriculture has indicated he should spend a week or so at Beltsville before leaving for Jidda. He should arrive in Jidda about November 20th. Will inform you re exact travel plans.

Lawrence W. Smith - papers are being processed for appointment of Smith as Chief, Public Administration Division. Taylor is very familiar with Smith's background and has interviewed him personally.

A TCA-17 has been submitted to establish the position of Statistician in the Public Administration Division. It appears that we shall be able to recruit quickly a highly qualified technician from the Bureau of Census.

Papers have been submitted to initiate action for the employment of Roy D. Engberson of Kewanna, Indiana, as Extension Specialist, vice Thomas J. Moon. Again, Taylor is very familiar with the Engberson case and can furnish details.

With regard to your badly needed stenographic assistance - the necessary forms have been forwarded for processing of the two candidates (wives of airline personnel) mentioned in your telegram 151 of October 11th. Also, Mrs. Ethel R. Moser, wife of the Assistant Maintenance Officer of TWA at Jidda, visited this office

on October 15th

on October 15th and was interviewed by Mr. Taylor and Mr. Pierce regarding a stenographic position. Mrs. Moser has executed the necessary applications for local employment. She will be returning to Jidda with her husband about the first of February. If all goes well she will be eligible for local employment upon her return to Jidda.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq--Lebanon--Saudi Arabia--Syria
Near East, South Asia and Africa Operations

Attachments:

Memorandum re Husseini.
Memorandum re Kennedy.

DEPARTMENT OF STATE
FS Form No. 435
Revised June 1949

Taggart

CROSS-REFERENCE SHEET

DOCUMENT FILE

NOTE

SEE FOA/USGS Contract folder FOR letter

FROM Taggart ( ) DATED 10/23/53

TO Corson NAME

16—53422-2 GPO

REGARDING: Proposed USGS agreement

FOREIGN OPERATIONS ADMINISTRATION
Washington 25, D.C.

October 19, 1953

OFFICIAL - INFORMAL

Dear Harlan:

As you are no doubt aware, the reorganization of FOA has been a very painful process. There has been considerable confusion, and no doubt resultant in poor service to you in the field.

It seemed to me that during the past week we had commenced to move upward and that some of the problems at least were delineated even if solutions were not immediately available. We do have a fairly firm organizational structure. We do have the guide lines in terms of relationships in which the areas and country desks are the operating arm of FOA. The technical staff are in support of operations arm and the management staff are to provide service to the operating arm. Particularly helpful in the delineation of these duties are: (1) the organization chart, and (2), circular telegram # 57 which was directed to all field missions. Both of the above are in your possession.

In order that you may know the organizational structure of the Near East, South Asia and African region, I am enclosing an unofficial copy of the organization chart. Please treat this as being very unofficial and there are still a few positions unfilled and a few others in which the present incumbent only acting. There will, therefore, be some few shifts after which it is presumed the chart will be issued in official form. This advance unofficial copy is forwarded to you in order that you will have a better insight to the organizational structure and hence the operations which come to your attention day by day.

With best regards to you and your staff.

Sincerely yours,

Paul

Paul F. Taggart
Chief, Iraq - Lebanon - Saudi Arabia - Syria
Near East, South Asia and African Operations

Mr. Harlan Corson, Director
United States of America
Operations Mission to Saudi Arabia
c/o American Embassy,
Jidda, Saudi Arabia

Director - John H. Stambaugh
Deputy Director - Norman Paul
Asst. Director - Cedric H. Seager
Secretary - Bernice Baer
Secretary - Dorothy Gibbs
Conf. Asst. -

PROGRAM OFFICE

Program Officer - Johnston Avery
Analyst - Malcolm McCormick
Analyst - Solomon Silver
Analyst - J.H. Canning
Reports Analyst - J. Kean
Reports Clerk - C. Dodson
Reports Clerk - M.E. Randall
2 Secretaries
2 Stenographers

EXECUTIVE OFFICE

Executive Officer - A.J. Hazes
Assistant - J.F. Scott
Special Asst. - Adele Boke
Administrative Mgt. - L. Brody
Administrative Asst. - M. Kilmer
2 Secretaries
Administrative Aide -

AREA I - Ethiopia

Chief - Wm. E. Moran
Asst. Chief - R.E. Tyner
Ethiopia & E.A. - Marie Berger
Liberia & W.A. - Virginia Robinson
Libya & N.A. - Edward Felder
So. Central & Africa - J. Kessler
Jr. Officer - Riska
Sec. & 2 Stenos - Cole, Brown, Fogarty

AREA II - Greece

Chief - F.H. Mahon
Economist - A.D. White
Program Officer - A.P. Wagner
Secretary - G. Evans

AREA III - Turkey

Chief - H.P. Dawson
Economist - J.I. Boyd
Program Officer - Wm. H. Roney
Secretary -

AREA IV - Iran

Chief (Acting) - D. Parle
Program Officer - D.S. Brown
Program Asst. - H. Roberts
Secretary - Estelle Somers
Secretary - Hilda Rudersman

AREA V

Chief - Paul F. Taggart
Iraq - Wm. E. VanTeggerm
Saudi Arabia - Edward Pierce
Lebanon - Felix Lapinski
Syria -
Secretary - Vivian Broadbelt
Secretary - Mary Simons
Secretary - Lillian Blomberg

AREA VI - Israel

Chief - Vic Shiles
Program Officer - Thomas Tasses
Program Asst. - J. McLaughlin
Secretary - Opal Lewis

AREA VII - Egypt-Jordan

Egypt - John Evans
Jordan - Harold Nelson
Program Officer - H. Hemmerich
Secretary - Julia Hackett
Stenographer - Betty Vekeman

AREA VIII - India-Nepal-Ceylon

Chief - J.P. Ferris
Asst. Chief - G. Dolgin
Program Officer - J.B. Davis
Program Officer - H.H. Delaney
Secretary - S. Hayes
Secretary - D. C. Schult
Kean

AREA IX - Pakistan-Afghanistan

Chief - D. Stoops
Program Officer - W. Drake
Program Officer - A. Whatley
Program Officer - H. Miklus
Secretary - Gloria Galloway
Secretary - C.J. Brockman
Terry Varcolik

FOREIGN OPERATIONS ADMINISTRATION
DEPARTMENT OF STATE

Memorandum of Conversation

DATE: October 9, 1953

SUBJECT: Saudi Arabia program - with particular reference to Public Administration.

PARTICIPANTS:

Mr. Paul F. Taggart
Mr. Harvey Sherman
Mr. Robert Kennedy
Mr. William von Seggern
Mr. Thel Taylor
Mr. Gerhard Kruger
Mr. E. R. Pierce

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Purpose of the meeting was to afford an opportunity for Mr. Kennedy to outline to the staff the nature and scope of his work during the past two years in Saudi Arabia, and to discuss, in general, the public administration program, its problems and objectives, and our future approach to carrying out these objectives.

Mr. Kennedy discussed at length and in detail his work in Saudi Arabia. He stated that his primary function had been the drafting of tariff legislation for the Saudis. He cited the difficulties which had been encountered in carrying out this work, including the necessity for proceeding slowly until the confidence of the Saudi Arabian Government had been won, and the lack of any counterpart worker in the S&G.

Mr. Kennedy said the work proceeded along the following lines, by phases:

a. Research and actual drafting of the legislation.

b. "Selling" the legislation to the customs and finance people after it had been drafted.

c. Obtaining royal approval for the new legislation.

In connection with the research and drafting phase of the work, Mr. Kennedy stated that this work was greatly hampered by the lack of reliable statistics on Saudi Arabian commerce. He said the Saudis still want Foreign Operations Administration to furnish a competent statistician - in his opinion, this technician should be qualified to draft a complete statistical nomenclature

for the

for the Saudis and should have experience in export-import statistics. (Mr. Taylor mentioned that Coleman may still be available for this work - this will be checked).

Mr. Kennedy pointed out the close relationship between tariff legislation and customs administration. In this connection, he said there is an almost complete lack of trained customs personnel among the Saudis and, for this reason, there has been very little change in the past two years in actual customs administration. In fact, the only visible evidence of change is the installation of a customs cashier at the Jidda airport. In other words, although the necessary tariff legislation has been drafted, approved and implemented, the actual improvement of customs administration remain to be carried out.

In response to questions by Mr. Taggart, Mr. Kennedy outlined what he thought would be necessary in the customs field:

a. Draft a new set of customs regulations, covering such matters as the clearance of all types of merchandise, the specific duties of each customs official and penalties to be assessed for violations.

b. Obtain ministerial approval for new regulations.

c. Training of customs people in application of the new regulations.

Mr. Kennedy said he thought the foregoing should be undertaken by "installments" but that he could not estimate the time necessary to do it. He said that any technicians recruited to work on such project should be given at least two year assignments.

To do the job, in Mr. Kennedy's opinion, FOA/Jidda should be supplied with the following personnel:

1. A competent budget man to work with the Saudi customs people.

2. A customs statistical expert.

3. An experienced customs administrative man.

4. A personnel man - to work on the problem of training Saudis for the work.

Mr. Taylor suggested the possibility of in-service training (at the commercial school in Jidda) for Saudis to be used in customs work, to be supplemented by U.S. training for selected individuals. Another

possibility

possibility discussed was the employment of trained customs personnel from other Arab states. On this point, Mr. Kennedy stated that no Egyptians should be recruited for such work, and that Lebanon and Iraq would be the most likely sources. He also stated that four year courses in customs administration were available in the U.S. at New York University and University of Southern California. It was generally recognized by the group that U.S. training of Saudis is complicated by the low level of academic background of the available Saudi candidates.

It was agreed by the group that further talks should be held on these matters, in which Treasury, Customs and Bureau of the Budget should be represented.

Mr. Kennedy will write, during the next few days, a composite report on his work in Saudi Arabia, utilizing the partial reports already submitted in the monthly reports from TCA/Jidda.

- - - - - - - - - - -

With regard to the personal future of Mr. Kennedy he stated that his opinion was that since his speciality lies in the field of tariff legislation, and since this work is well forward in Saudi Arabia (with the next step to be in actual customs administration) he would be more useful on a new assignment in Iraq. He pointed out that the Iraq tariff, written in 1933 and nine times amended, is badly out of line with current needs and should be rewritten.

Mr. Taggart inquired regarding the impact on our program in Saudi if Kennedy were shifted to Iraq. Mr. Kennedy said he believes the Saudis understand that this special work is completed. He said anyone sent to replace him would need six months to get his feet on the ground and gain confidence of the Saudis. If sent to Baghdad, Kennedy felt it would be feasible for him to go periodically to Jidda to offer guidance to the new man - introduce him to appropriate Saudi officials - and to follow up on work previously accomplished.

Mr. Taggart and Mr. von Seggern pointed out the advantages to be gained from such an arrangement - not only for Kennedy but for other personnel in the adjacent Arab states. This regional approach to utilization of specialized personnel will be given further study.

FOA/NEA/ERPierce:mft

FOREIGN OPERATIONS ADMINISTRATION
DEPARTMENT OF STATE

Memorandum of Conversation

DATE: October 9, 1953

SUBJECT: Public Administration Program in Saudi Arabia

PARTICIPANTS:

Mr. Paul F. Taggart
Mr. Edward Pierce
Mr. William von Seggern
Mr. Harvey Sherman
Mr. Thel Taylor
Mr. Gerhard Kruger
Mr. Robert Kennedy

COPIES TO:

U. S. GOVERNMENT PRINTING OFFICE 16—61120-1

Mr. Kennedy, who recently returned from Saudi Arabia, explained that his primary function in Saudi Arabia was the drafting and securing the royal approval of a tariff law for Saudi Arabia which included:

a. Drafting of a schedule of rates.

b. Drafting of general provisions of the tariff law such as those dealing with the ~~loan~~ basis of tariff valuation.

This study was broken down into the following three phases:

a. Research and drafting of a proposed tariff law.

b. Selling of proposed law to customs officials.

c. Obtaining approval of proposed law at royal level.

To accomplish the drafting of a tariff law some of the following problems had to be considered such as type of duty requirements, general level of duty desired, the current economic situation, taxing policies of the government, etc.,

Mr. Kennedy operated at a handicap, inasmuch as there were no reliable basic statistics; no host government counterpart available; and very few Saudi Arabians have even elementary education in the specific fields of tariff and customs administration.

In order to give the maximum assistance possible in the field of public administration, the following was agreed upon:

1. Mr. Kennedy would write a consolidated report emphasizing difficulties encountered and offering suggestions thereto for the benefit of future technicians working in the tariff and customs field.

2. The Saudi Arabian country desk would attempt to recruit a statistician for Saudi Arabia who would be experienced in the drafting of statistical nomenclature as well as have some experience in the field of export and import statistics. (Coleman of New York under consideration)

3. Possibility of exchange of public administration technicians between the Arab states would be explored - as well as recruiting specialists from other Arabic areas to train and work with the Saudi Arabians in the field of public administration. Lebanon and Iraq would be good possibilities for recruiting technicians to work in Saudi Arabia. Egypt not recommended.

4. The position of customs adviser would be re-established for Saudi Arabia (recommended FSS-2-($9,230) and Mr. Pierce would prepare a memo to Personnel requesting the recruitment of a customs specialist. Mr. Kennedy would assist in such recruitment, following through an available contact in the Bureau of Customs and elsewhere. The incumbent of the above position would draft a new set of customs regulations for Saudi Arabia, including the regulations and penalties involved, the specific duties of each customs officer, etc. and in obtaining ministerial approval thereof.

5. A public administration specialist for Saudi Arabia would be recruited (Mr. Pierce to prepare a memo to Personnel requesting the appointment of Lawrence Wornald Smith at FSS-1 ($9,950). The public administration specialist should visualize and define the public administration program in Saudi Arabia, including specific projects and then determine educational as well as extension facilities.

6. Incumbent for position of Budget and Fiscal Advisor at FSS-2 to be recruited.

7. Position of Personnel Advisor would not be established at present time, inasmuch as Public Administration Specialist would probably handle duties for the time being.

8. Mr. Frank Heistrell to be recruited for position of Business Organization and Investment Climate Specialist would temporarily handle functions of tariff specialist in Saudi Arabia.

9. A position of Tariff Specialist to be established for Mr. Kennedy in Iraq at proposed grade of FSS-3. Mr. von Saggern with help of Mr. Kennedy to prepare new job description as well as memo to Personnel.) Mr. Kennedy to be available to Saudi Arabia for consultation in the field of tariff.

FOA/TCA - John H. Stambaugh October 7, 1953

THROUGH: Mr. Cedric H. Seager
FOA/TCA - Paul Taggart

Memorandum of Discussion with Mr. Sadek Husseini, Liaison Officer, Saudi Arabian Government

Attached please find copy of a memorandum of discussion prepared by Mr. Pierce, which in substance covers the discussion of Mr. Husseini with you, Mr. Seager, Mr. Taylor, and myself, Wednesday, October 7. I should like to add the following to that which is contained in Mr. Pierce's memorandum:

(1) I should like to emphasize the strategic importance of Saudi Arabia to the United States. As pointed out by Mr. Husseini, Saudi Arabia lies on the front line due to the magnitude of the Communism movement in Iran. Only the Persian Gulf separates the two countries.

(2) ARAMCO is the largest single American investment outside the United States. Its product, oil, is an essential commodity in which the United States has a great deal of interest. It goes without saying that other countries are a great deal interested in the oil reserves of the Middle East.

(3) Whereas the masses of the people in Iraq, Iran, and other countries being aware of the oil revenues accruing to their countries have and are requiring a showing by their governments, masses of the people of Saudi Arabia have not yet awakened to the full realization of what oil means in terms of improved social and economic improvement. This is indeed fortunate as the Saudi Arabian Government has not emerged far enough to enable them to cope with such problems as effectively as say Iran and Iraq. For different reasons the urgency of the problem in Saudi Arabia is therefore as great as in Iraq and Iran. In other words, we perhaps have a little more time in Saudi Arabia, but by the same token we have to travel a greater distance in Saudi Arabia than in the other two countries. The apparent friendship of Saudi Arabia with the United States is an asset which we can further only if our operations are such as to warrant continued respect of the Saudis . We cannot afford to come forward with too little too late.

There are those that feel that with the enormous oil revenues Saudi Arabia is a rich country. When spread over the enormous area of the country and the stupendous job that has to be done, it is only a matter of arithmetic to realize that Saudi Arabia is still a very ppor country.

In conclusion, I should also like to point out that with the tremendous revenues accruing to the United States through the oil of Saudi Arabia and the taxes paid by ARAMCO and its employees, it is no wonder that Saudi Arabia feels they are being discriminated against when they look at the small amount of technical assistance funds being made available to Saudi Arabia and particularly is this true when, as pointed out by Mr. Husseini, Saudi Arabia has made direct contributions of $4.00 to every $1.00 in the implementation of the cooperative program.

FOA/TCA - PTaggart:lb